

# dōTERRA®

概要書面

Please read this document closely if you are considering signing up as a dōTERRA Wellness Advocate (WA). When informing others about dōTERRA products and its business, give them a copy of this Program Overview and explain it to them, ensuring that they understand it correctly.

Enrollee	Name	ID
Sponsor	Name	ID

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# dōTERRA®

# Before you sign up

dōTERRA is a company that contributes to healthy, happy lives by distributing essential oils, health foods, skincare, and other products manufactured and sold using carefully selected raw materials, outstanding product-development capabilities, and our own strict quality standards (the Certified Pure Therapeutic Grade®, or CPTG, protocol). dōTERRA offers a compensation program in which members share in the profits resulting from their activities to introduce and sell products. The activities of members must comply with various rules, including those of the Act on Specified Commercial Transactions and the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (Pharmaceuticals and Medical Devices Act). Before signing up as a dōTERRA Wellness Advocate (WA), please read this Program Overview closely and make sure you understand its content clearly.

#### dōTERRA®

# The relationship between you, as a WA, and us

dōTERRA's goal is to cooperate with WAs to enrich people's lives through dōTERRA's products and business. dōTERRA provides a full range of support for your activities after conclusion of the contract described in this document ("WA Agreement" or "Agreement" hereinafter). Under the Agreement, you are an independent contractor and not an agent, employee, co-manager, partner, etc. of dōTERRA. Accordingly, you may not describe yourself as anything other than a WA (Wellness Advocate) of dōTERRA. You also are not authorized to incur any obligation on behalf of dōTERRA. You are responsible for national, local, and all other appropriate tax filing and payment procedures.

#### dōTERRA®

# **Details of the WA Agreement**

# 1. Related parties

Manager

Name: dōTERRA GH Ireland, Ltd.

Address: 32, Molesworth Street, Dublin 2, Ireland

Tel.: 01-801-437-7923 Representative: Matthew Jensen

Multilevel marketing business operator

Name: dōTERRA CPTG Essential Oils Japan, G.K.

Address: dōTERRA Japan Building, 3-5-5 Nishi-Azabu, Minato-ku, Tokyo 106-0031

Tel.: 03-4589-2600

Representatives: Managing Executive: doTERRA Enterprises Sàrl

Executive: Corey B. Lindlay Executive: Philip Welch

#### 2. Signing up

There are two types of membership in doTERRA GH Ireland, Ltd. (doTERRA).

• Wellness Advocate (WA):

A person who is an independent contractor authorized by dōTERRA to sell products under contract. A WA may enroll other WAs and receive bonuses in accordance with the Sales Compensation Plan.

Wholesale Customer (WC):

A person authorized to purchase products at a discount but not to enroll WAs or other WCs.

Rules including the following apply to signing up as a WA.

#### 1) Multiple accounts prohibited

A WA may not hold, or have rights to or effective interests in, two or more accounts. Spouses who both sign up for WA status must apply jointly and will be assigned only one account to share between them.

2) Co-applicants

This refers to multiple people sharing a single WA. The acts, consent, and acceptance of coapplicants shall apply to the relevant WA account and be binding to all co-applicants.

#### 3) Business application

To sign up as a business, submit the Business Application Addendum along with company-related documents (including a certified copy of the corporate register) and other related documents requested by dōTERRA. The name and official seal, or the signature of the representative is required on the application. Registration will be complete upon approval of the application by dōTERRA. The signup of a business entity cannot be done online.

Once a business has signed up, its representative may not sign up as a WA. Similarly, a signed-up WA may not sign up as a representative of a Business member. In addition, a spouse of a representative of a Business member may not sign up as an individual WA. Similarly, a spouse of a signed-up WA may not sign up as a representative of a Business member.

4) Age and other conditions of applications

Persons less than 20 years of age or by students cannot apply for signup as a WA. WA applications signed or sealed by persons less than 20 years of age or by students will be invalidated.

5) Acceptance or rejection of applications.

dōTERRA reserves the right, in its sole discretion, to approve or decline submitted WA applications.

#### 6) Inaccurate Applications

An incomplete, incorrect, or fraudulent WA Agreement Form will be deemed invalid from its inception.

#### 7) Duty to Maintain Accurate Information

- (1) To help ensure that doTERRA has the most current information, WAs must advise doTERRA of changes to the submitted forms and attachments.
- (2) Proposed changes to personal information should be submitted on a WA Agreement Form or Business Application Addendum with "Change" checked and signed/sealed by all members of the account (including co-applicants, etc.).

# 3. Details of specific burdens

#### 1) Application fee

To sign up as a WA or WC, pay 3,500 yen (tax incl.) to doTERRA.

#### 2) Annual Renewal Fee

To renew your contract with doTERRA as a WA or WC, pay an Annual Renewal Fee of 2,000 yen (tax incl.). The Annual Renewal Fee will be billed with the first order in or after the month following the WA's anniversary signup date.

#### 3) Product prices

Product prices are shown on pp. 34-44 of this document, in product lists, on the doTERRA Website, and elsewhere.

#### 4) Payment method

In principle, payments shall be made in advance. See "How to Pay" under "7. Terms of Sale, etc." [p. 07 of this document].

# 4. Purchasing products

See Section 05 of the Policy Manual (Excerpts) [pp. 22-23 of this document].

# 5. Product names, types, properties, etc.

See pp. 34-50 of this document.

# 6. Product prices

See pp. 34-44 of this document

# 7. Terms of Sale, etc.

1) How to order products, how to pay, product delivery times and methods, delivery charges

• How to order products

Telephone	From a landline phone: 0800-100-0789 (toll-
	free)
	From a mobile phone: 03-4589-2610
	* Hours: M-F/9:00-19:00 (closed on national
	holidays and during the year-end/New Year's
	holidays)
Fax:	03-4589-2601
Email:	japan@doterra.com
Post	dōTERRA Japan Building, 3-5-5 Nishi-Azabu,
	Minato-ku, Tokyo 106-0031
My dōTERRA Office	Access http://www.mydoterra.com, select
	"Japanese," and log in by entering your ID and
	password. The first time you use My doTERRA
	Office, complete initial signup procedures first.

• How to pay (paid in advance)

Cash (LRP not accepted)	Make payment to doTERRA's Product Center.
COD	Pay the price of the products upon delivery. A
	fee of 324 yen (tax incl.) will apply.
Credit card	You may use various credit cards, in
	accordance with the card issuers' terms of use.
	Accepted: VISA, Mastercard, JCB
Cash remittance (LRP not accepted) *	Bank transfer: Ordinary deposit account no.
Remittance fees will be borne by the WA.	0131744, Aoyama-dori Branch, MUFG Bank,
	Ltd.
	Account name: doTERRA CPTG Essential Oils
	Japan, G.K.
	Japan Post Bank transfer (transfer account)
	Account no.: 00170-8-608203
	Name: dōTERRA Japan, G.K.

* If transferring payment from another bank: Current account deposit no. 0608203, 019 Branch
Account name: doTERRA Japan, G.K.

#### Product delivery times and methods

Products will be sent from the dōTERRA Shipments Center about three business days after confirmation of receipt of payment by dōTERRA. Shipments will be delivered by dōTERRA's designated delivery service.

#### Delivery charge

The delivery charge is 600 yen (tax incl.). However, no charge applies in the following cases.

- Product orders valued at 100 PV or more under the Loyalty Rewards Program (LRP)
- Product orders valued at 15,000 yen (tax incl.) or more

For COD orders, a COD charge of 324 yen (tax incl.) applies in addition to the shipping charge. In principle, non-COD orders will be delivered by Japan Post. You may specify delivery by Yamato Express for an additional 500 yen (tax incl.).

#### 2) Conditions of sale

(1) Suggested retail prices

dōTERRA suggests retail prices (shown on pp. 34-44) for products purchased by WAs for resale to customers. However, WAs are free to set their own resale prices.

(2) Sale in retail stores and other outlets

WAs may, with doTERRA's written consent, sell products and engage in the doTERRA business at retail outlets such as health-food stores and stores selling foods and sundry items, other than large-scale retailers considered to be prefecture-wide or national chain stores. In addition, WAs may sell doTERRA products at facilities used to provide certain services related to the products (such as sports clubs, spas, and fitness centers). When selling doTERRA products, a WA must issue a purchase agreement/receipt, unless the buyer signs up as a doTERRA member.

#### 8. Returns and exchanges

See Section 06 of the Policy Manual (Excerpts) [pp. 23-24 of this document] regarding returns of defective or incorrect products or returns for other reasons. Regarding the cooling-off period under the Act on Specified Commercial Transactions or cases of cancellation before the end of the term of the agreement, see "10. Cancellation Conditions, etc. (Cooling-off Period, etc.)" [pp. 11-13 of this document].

# 9. Specific profits (compensation)

dōTERRA pays compensation (bonuses) in accordance with the results of WAs' activities, to share profits with them in return for their product introduction and sales activities. With some exceptions, bonuses are calculated in U.S. dollars and converted to Japanese yen prior to payment. The exchange rates used vary monthly with trends in currency markets.

#### 1) Compensation plan

See Section 10 of the Policy Manual (Excerpts) [pp. 24-32 of this document].

#### 2) Payment of compensation

Bonuses are calculated through the following two methods and paid through remittance to your designated financial-institution account.

(1) First-Start Bonus: Paid weekly

The previous week's bonus (Monday through Sunday) is calculated and determined on Tuesday of each week and remitted on Monday of the following week. However, a bonus totaling less than 3000 yen is credited to the WA's adjustment account (AR) and paid together with the Primary Bonus described below.

(2) Primary Bonus [bonuses other than that described under (1) above]: Paid monthly The previous month's bonus (first through last day of the month) is calculated and determined at the end of the month and remitted on the 25th of the month (or the preceding business day if the 25th is a Saturday, Sunday, or holiday).

#### (3) Remittance fees

Revision of fees is currently under consideration. doTERRA will bear remittance fees until a final decision has been made.

\* All bonus calculations are conducted based on the U.S. Mountain Time Zone. Only payment is based on Japan Time.

#### Loyalty Rewards Program (LRP)

- The Loyalty Rewards Program (LRP) is an optional program wherein a WA can set up automatic monthly deliveries of dōTERRA products. A WA can participate starting from the month after the month he or she signs up, and may qualify to receive some Bonuses as well as receiving various other benefits. Apply by filling out the necessary information on the LRP Order Form included in the WA Sign-Up Kit or obtained from dōTERRA. You also may sign up on the website (My dōTERRA Office).
- You may change the designated purchase date (1st-28th) and content of orders each month. The designated purchase date may be changed up to 48 hours prior to the designated date on the Website or up to three business days prior by telephone, fax, or email.
- Pay by credit card or COD (additional charge of 324 yen applies for COD orders).
- Shipping is free for LRP orders valued at 100 PV\* or more.
- \* Personal Volume (PV): The sales volume, measured in points, of products sold to a WA. The PV is the total points set for each product.
- Reward Points may be received for single purchases of 50 PV or more, in accordance with the volume purchased. Reward Points are calculated by multiplying the purchase volume by a return rate, which increases with the number of months of continual membership in the program as shown on the following page. Reward Points are valid for 12 months.
- If you suspend LRP orders, then the Reward Points you have earned will be cancelled and your point return rate will be reset.
- Reward Points may not be exchanged for cash or transferred to other WAs.
- \* All fees and other amounts shown are tax inclusive.

1-3 months	4-6 months	7-9 months	10-12 months	13 months or longer
10%	15%	20%	25%	30%

■ Reward Points are awarded around the middle of the month after the month of the order. They may be exchanged for products once 60 days have passed since your participation in LRP began. An exchange fee (300 yen per order) and delivery charge (600 yen) also must be paid when exchanging points. However, shipping is free when ordering products valued at 100 PV or more at

the same time as the LRP order. PVs of products for which points are exchanged, and exchange fees, are not included in each WA's performance figures.

Products obtained through exchange of Reward Points may not be resold.

No returns or exchanges will be accepted, except as described under "10. Cancellation Conditions etc. (Cooling-Off Period etc.)" [pp. 11-13 of this document].

- All WAs who have purchased products valued at 125 PV or more while setting the designated date during the period from the first through the 15th of the month will receive a Product of the Month (POM) free of charge. However, only one POM may be received per account each month. For details of the LRP, see Section 10: B.7 of the Policy Manual (Excerpts) [p. 31 of this document].
- \* All fees and other amounts shown are tax inclusive.

# 10. Cancellation conditions, etc. (cooling-off period etc.)

- 1) Cooling-off period
- (1) A WA may, within 20 days of the later of the two dates described below, cancel the Agreement for any reason, in writing.
- (i) The date of receipt of a written document describing the content of the agreement under the Act on Specified Commercial Transactions (written agreement)
- (ii) The date of the first delivery of products
- (2) Notwithstanding the provisions under (1) above, in any of the cases below a WA who has not cancelled the agreement within the period described under (1) above may cancel the Agreement for any reason, in writing, within 20 days from receipt again from dōTERRA of a written description and an explanation of the fact that he or she may cancel the agreement .
- (i) When an enroller has provided incorrect information on the cancellation of the agreement in order to avoid such cancellation, and the WA believed such incorrect information was factual
- (ii) When the WA was confused by coercive pressure by the enroller
- (3) In the case of cancellation of an agreement as described under (1) or (2) above, dōTERRA will promptly refund to the WA the entire amount of payments made by the WA to dōTERRA (including consumption tax).
- (4) In the case of cancellation of an agreement as described under (1) or (2) above, dōTERRA shall bear the costs of returning any related materials, documents, products, etc.
- (5) In the case of cancellation of an agreement as described under (1) or (2) above, doTERRA shall not make any demands for compensation for damages or breach of contract.
- (6) In the case of cancellation of an agreement as described under (1) or (2) above, the cancellation shall take effect when the WA has issued a written document describing his or her intent to cancel the Agreement.

Return address:

dōTERRA Japan Member Services

dōTERRA Japan Building, 3-5-5 Nishi-Azabu, Minato-ku, Tokyo 106-0031

- 2) Cancellation after the cooling-off period
  - (1) Even after the cooling-off period described under 1) above, a WA may cancel the Agreement with dōTERRA from the time of cancellation on, at any time and for any reason. In such a case, a written document describing the intent to cancel the Agreement must be sent to dōTERRA. The cancellation shall take effect when notice of the intent to cancel the Agreement has been received by dōTERRA. In connection with cancellation of the Agreement as

described under (1) above, dōTERRA will not demand from the WA payment of an amount in excess of the sum of the amounts listed below, plus a penalty for late payment calculated by multiplying this amount by the legal interest rate.

- The amount of costs normally required to conclude and perform the Agreement
- · The amount equal to the retail prices of products delivered under the Agreement
- · The amount equal to any specific profits or other money or goods provided to the WA.
- (2) When a WA has cancelled the agreement as described under (1) above, he or she may cancel the purchase agreements on products purchased and return those products. However, in the following cases the purchase agreements may not be cancelled and the products may not be returned.
  - · When at least one year has passed since the date of receipt of delivery of the products
  - · When the products have been resold
  - · When the products have been consumed, in whole or in part, for the personal use of the WA
  - When the products have been lost or damaged, in whole or in part, due to reasons for which the WA is responsible
- (3) When a WA has cancelled a purchase agreement and returned products as described under (2) above, dōTERRA shall refund to the WA the amount equal to the remaining retail prices of the products, minus a return fee equal to 10% of the retail prices. dōTERRA may not demand from a WA payment of an amount in excess of the return fee under this paragraph (3) for cancellation of a purchase agreement and return of products as described under (2). In addition, if the operator of the multilevel-marketing business bears any obligations to a WA under this paragraph (3), dōTERRA shall be jointly and severally liable for payment of such obligations.
- (4) Notwithstanding the provisions under (3) above, if the products are unopened then doTERRA shall refund to the WA 100% of the retail prices of the products upon their return within 30 days after the date their delivery was received. If the operator of the multilevel-marketing business bears any obligations to a WA under this paragraph (4), doTERRA shall be jointly and severally liable for payment of such obligations.
- (5) Product returns as described under (2), (3), and (4) above shall be made after first notifying dōTERRA by post, telephone, fax, or email and receiving instructions on how to return them.
- (6) If a WA has violated "12. Other Important Matters Under the Act on Specified Commercial Transactions: 3) Prohibited Acts [pp. 14-15 of this document] or other contractual provisions or conditions, then dōTERRA may cancel the agreement with the WA. In such a case, the cancellation shall take effect when the WA has received written notice of cancelation of the Agreement from dōTERRA.
- (7) If the acts of a WA have been judged to have caused harm to the reputation of the WA network or doTERRA, then doTERRA may, at its sole discretion, carry out disciplinary action and other handling as stipulated in the Agreement in addition to cancelation of the Agreement as described under (6) above.
- (8) If the Agreement has been cancelled as described under (1) or (6) above, or through disciplinary action, and the products have been returned to doTERRA as a result, then doTERRA may receive a refund of bonuses paid to the WA in connection with the returned products. These bonuses shall be deducted from the WA's adjustment account (AR) or returned to doTERRA directly.
- 3) Other matters related to cancellation of the Agreement
  - (1) Signing up again within a short period of time is prohibited When a WA has cancelled the Agreement, or his or her Agreement has been cancelled by doTERRA, he or she may not sign up again as a WA for a period of six months (one year if he or she held a rank of Silver or higher) from the date of his or her last product purchase. A WA shall continue to bear certain nondisclosure and other obligations regarding information related to

dōTERRA's intellectual property and the WA network, even after cancellation of the Agreement. This provision also applies to cancellation during the cooling-off period.

(2) Suspension of account after an agreed cancellation

When the Agreement has been cancelled with the agreement of the WA and doTERRA, the WA's account shall be suspended from the date of the last product purchase and then closed and removed from the network once 12 months have passed.

- (3) Cancellation due to no activity for a certain period of time
- dōTERRA may cancel a WA's Agreement if he or she has purchased no products (valued at 1 PV or more) for 12 months.
- (4) Restrictions on claiming breach of contract
- dōTERRA may not claim breach of contract for any violation of the Agreement by a WA of which it was unaware during the period of two years from the date such breach began. However, any and all breaches of contract must be reported to dōTERRA in writing.
- (5) Signing up again after cancellation of the Agreement

If a WA whose Agreement has been cancelled desires to sign up with dōTERRA again, he or she need not pay a new application fee of 3,500 yen (tax incl.), since his or her previous sign-up information will be reused. However, a new application fee of 3,500 yen (tax incl.) must be paid when signing up again after cancellation of the Agreement during the cooling-off period. In either case, the WA's purchases shall not be eligible for Fast Start Bonuses but will be eligible for Unilevel Bonuses beginning initially after he or she signed up again. Handling of various promotions and other programs shall be in accordance with the rules for each.

# 11. Right to defense

In the event that dōTERRA sells products through the methods of sales through providing financing, intermediation in purchases under comprehensive credit, or intermediation in purchases under individual credit as stipulated in the Installment Sales Act, then the WA may, pursuant to the provisions of the Installment Sales Act, refuse payment to the credit company or similar party for reasons of defense arising vis-a-vis dōTERRA.

#### 12. Other important matters under the Act on Specified Commercial Transactions

The Act on Specified Commercial Transactions defines "multilevel marketing transactions" as "the business of sale of articles or the provision of services in exchange for payment, wherein a counterparty is induced to resell the articles or provide the same kind of services, using the possible receipt of a specified profit". In dōTERRA's business, the act of inviting parties to sign up as WAs in exchange for (the possibility of receiving) bonuses qualifies as a multilevel marketing transaction. The Act on Specified Commercial Transactions, which regulates multilevel marketing transactions, establishes various restrictions such as those enumerated below.

1) Delivery of Documents in Multilevel Marketing Transactions (Article 37 of the Act on Specified Commercial Transactions)

When concluding an agreement on multilevel-marketing transactions, it must provide written documentation of an overview of the multilevel-marketing business (a summary document) prior to concluding the agreement and must provide written documentation of the content of the agreement (contractual documents) promptly after its conclusion.

Contractual documents: Documents delivered promptly after the conclusion of the Agreement. Not only may these documents be used to confirm the content of the Agreement, but they also are important for the purpose of calculating the cooling-off period (during which the Agreement may be canceled) as described under "10. Cancellation Conditions, etc. (Cooling-off Period, etc.): 1) Cooling-off Period" [p. 11 of this document].

- 2) Clear indication of name, etc. (and the fact that the purpose is to solicit transactions) in multilevel marketing transactions (Article 33-2 of the Act on Specified Commercial Transactions)

  The name and the following matters must be indicated clearly to the counterparty in advance when engaging in solicitation (including description of products):
- The fact that the WA is under contract to doTERRA
- The fact that the purpose of communication is solicitation for the dōTERRA business and the fact that payment of the application fee, etc. as described under "3. Details of Specific Burdens" [p. 06 of this document] is required
- The fact that the products handled include essential oils, cosmetics, food products, sundries, etc.
- 3) Prohibited Acts (Article 34 of the Act on Specified Commercial Transactions)
  It is conceivable that solicitation of transactions or cancellation of an Agreement could involve provision of incorrect or inaccurate information, aggressive speech or behavior, or other improper methods. The Act on Specified Commercial Transactions prohibits such improper solicitation, etc. as acts subject to penalty, to prevent harm to counterparties and to ensure the efficacy of the law through administrative sanctions. Some examples of prohibited acts are provided below.
  - (1) Failure to inform of material facts

Failure to provide information important to the decision-making process of the counterparty during solicitation, such as the conditions of who may conclude a contract, product types and details, conditions of returns, and cancellation of the contract, qualifies as "failure to inform of material facts."

(2) Provision of false information

Statements such as "anybody can make a profit this way" or "dōTERRA's products are the best in the world" qualify as "provision of false information" through providing information that is counter to the facts or that is inappropriate.

(3) Acts of intimidation or confusion

This refers to acts during solicitation, such as threatening a counterparty in an attempt to get him or her to conclude a contract, or acts of intimidation or causing confusion in order to impede a counterparty from carrying out a request to cancel an Agreement.

- (4) Solicitation through invitation to a private place for a concealed purpose Solicitation through inviting the counterparty to a private place other than a business facility or similar place, without telling him or her that the purpose of the invitation was solicitation, and attempting to get him or her to conclude a contract there is prohibited.
- 4) Prohibition of misleading advertising, etc. and prohibition of sending email advertisements without consent

(Articles 36 and 36-3 of the Act on Specified Commercial Transactions)

The following acts are prohibited under the Act on Specified Commercial Transactions:

- Use of markedly false statements or misleading statements such as describing a product as markedly superior or more useful than it really is
- Sending email advertisements to recipients who have not consented to them
- 5) The cooling-off period for multilevel-marketing transactions See "10. Cancellation Conditions, etc. (Cooling-off Period, etc.): 1) Cooling-off Period" [p. 11 of this document].

# 13. Handling of personal information

So that WAs may sign up with peace of mind, dōTERRA recognizes its responsibilities to protect personal information appropriately and handle it properly in accordance with the Act on the Protection of Personal Information ("Personal Information Protection Act" hereinafter). Its handling of personal information is described below.

- 1) Compliance with laws and regulations dōTERRA shall comply with the Personal Information Protection Act and other ministerial ordinances, ordinances, guidelines, etc.
- 2) Establishment of a system for control of personal information For all personal information that it handles, doTERRA shall establish a reasonable systematic and specialized control system and clarify the division of responsibilities, to address risks such as those of unauthorized access or leaking of such information.
- 3) Purposes of collection and usedōTERRA shall comply with the Personal Information Protection Act and other ministerial ordinances, ordinances, guidelines, etc. dōTERRA collects WAs' personal information through the sign-up process. Personal information collected shall be used solely within the scope of the following clearly defined purposes and shall not be used beyond this scope without the consent of the WAs concerned. Purposes of use of personal information include product purchases; notification of changes related to WA registration; confirmation of personal identity and account management; provision of information from dōTERRA concerning new products, promotional campaigns, etc.; notification of changes to contractual terms and conditions; sending samples and bulletins; statistical analysis intended to improve services and marketing; and confirmation of WA identity in response to inquiries made by telephone or other means.For all personal information that it handles, dōTERRA shall establish a reasonable systematic and specialized control system and clarify the division of responsibilities, to address risks such as those of unauthorized access or leaking of such information.
- 4) Handling of personal information
- dōTERRA may disclose WAs' personal information to third parties in the following cases, within the scope necessary for such use. For all personal information that it handles, dōTERRA shall establish a reasonable systematic and specialized control system and clarify the division of responsibilities, to address risks such as those of unauthorized access or leaking of such information.
  - (1) When providing information concerning WAs within the same organization as judged necessary by doTERRA for business purposes (i.e., registration nos., addresses, tel. nos., email addresses, records of purchases and returns, information on signup and withdrawal of membership, achievement of various promotional campaigns, and business conditions). For all personal information that it handles, doTERRA shall establish a reasonable systematic and specialized control system and clarify the division of responsibilities, to address risks such as those of unauthorized access or leaking of such information.
  - (2) When providing necessary information to a subcontractor for purposes of sending various notifications, announcements, and other documents from doTERRA to WAs
  - (3) When providing information on WAs' financial institutions to a subcontractor for purposes of remittance of various bonuses, refunds, etc. to WAsFor all personal information that it handles, dōTERRA shall establish a reasonable systematic and specialized control system and clarify the division of responsibilities, to address risks such as those of unauthorized access or leaking of such information.

(4) When responding to inquiries from the competent authorities, a court of law, the police, a tax office, or a similarly authorized agency

WAs shall consent to the fact that doTERRA owns personal information and to use it fairly and solely for the purposes of doTERRA's business activities, keeping it confidential, and are prohibited from handling such information improperly or inappropriately. WAs shall handle such information with the utmost care and understand that it is confidential and that they must not provide it to any third parties, whether directly or indirectly, or use it in other businesses in competition with doTERRA. doTERRA has the right to cancel the Agreement of a WA that has violated these provisions.

#### 5) Demands for disclosure, etc.

dōTERRA shall respond within a reasonable extent, pursuant to laws, regulations, etc. to requests from WAs for disclosure, suspension of use, etc. of their personal information. In such a case, the WA shall enter the necessary information to dōTERRA's specified request form and send it by post, attaching documentation of his or her identity, etc. The WA him or herself shall bear the designated fees, (actual) postage costs, etc.

#### 6) Disclaimer

dōTERRA shall not bear any liability for any complaints, damages, liabilities, etc. arising in the business activities of WAs. In addition, WAs shall have no right to cause dōTERRA to bear such liability.

#### 14 Contractual amendments

dōTERRA has the right to make various revisions or amendments to the Agreement and the compensation plan by providing written notice 30 days in advance. Such notice shall be made through printed materials, sending email, or posting to the website. WAs shall consent to the fact that such revisions or amendments shall take effect 30 days after the announcement of such notice and shall be incorporated into the Agreement and the compensation plan automatically as binding provisions. In addition, by continuing to act as WAs, for example by purchasing products, enrolling other WAs, or collecting fees, or by engaging in any distributorship activities, after such revisions or amendments have taken effect, the WAs shall be deemed to have consented to the new contractual provisions and compensation plan.

# **Policy Manual (Excerpts)**

\* This manual is based on the edition published January 2, 2019 in the United States, excerpting particularly important passages. The Agreement Form containing the entire text may be seen at doTERRA Tools (https://www.doterra.com/JP/ja\_JP/doterra-toolsforms).

#### **Section 1. Introduction**

This dotERRA® Policy Manual ("Policy Manual") has been incorporated into and made part of the Terms and Conditions of the Wellness Advocate ("WA") Agreement Form. The contractual documents including this Policy Manual constitute the entire agreement ("Contract") between dotERRA ("Company") and the Wellness Advocate. The Contract

or any part thereof may be amended by the Company in accordance with the provisions herein.

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 WA may, at the sole discretion of the Company, result in any or all of the following: termination of the Contract between the WA and the Company, or suspension or termination of the right to sponsor other WAs, of the right to receive a Bonus, of formal recognition by the Company, and any other rights and privileges granted to the WA.

# A. dōTERRA Company Mission (Mission Statement):

dōTERRA is committed to sharing the life- and health-enhancing benefits of therapeutic-grade essential oils with the world. dōTERRA does this by:

- 1. Discovering and developing the high-quality therapeutic-grade essential oil products through a leveraged network of highly-educated and experienced botanists, chemists, health scientists, and health care professionals;
- 2. Producing essential oil and related products to the highest standard of quality, purity, and safety used in the industry Certified Pure Therapeutic Grade (CPTG®);
- 3. Distributing our products worldwide through WAs who, working from home, introduce, educate, and sell doTERRA products to people in their communities, using individual specialized websites;
- 4. Providing educational opportunities for all people interested in learning how CPTG essential oils can be used as a self-care wellness alternative;
- 5. Bringing together health care professionals of traditional and alternative medicine to encourage further study and application of CPTG essential oils in modern health care practices.

#### B. doTERRA Company Values:

dōTERRA will conduct business in such a way as to be a positive influence for good with each person, Customer, WA, 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:** The state of WA who has purchased doTERRA products within the past twelve months.

**Annual Renewal Fee:** A fee of 2000 yen (tax included) that is required to be paid by a WA or a Wholesale Customer ("WC") (see the section on WCs) to the Company to renew his or her Distributorship each year, to be billed with the first order in or after the month following the WA's anniversary signup date.

**Bonus:** Compensation paid by the Company to a WA based on the volume of products sold by a WA or his or her organization upon meeting the requirements of the doTERRA Sales Compensation Plan. For details, see, Section 10 [p. 24-32].

**Business Application Form:** An application form for WA registration as a corporation rather than an individual. The Business Application must be completed and signed/sealed by a legal entity (see Corporation) applying to become a WA.

**Company**: "Company", "we" or "doTERRA" in this document means doTERRA Japan, K.K.

**Company Credit:** Company Credit is a WA's account receivable (AR) balance of compensation etc. Company Credit can be used to purchase products or converted to cash on dates specified by the Company or at timing determined by the WA (see also Product Credit).

**Contract:** The agreements between a WA and the Company comprised of contractual documents (including this Policy Manual) together with any Business Application if necessary.

**Corporation:** Any business entity such as a corporation, partnership, limited liability company, or other form of business organization legally formed under laws.

Customer. The term "Customer" includes WCs and Retail Customers.

**Distributorship (WA Account):** 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:** The subsidiary Organization as viewed from the perspective of a WA.

Enrollee: An Enrollee is a WA or a WC who was enrolled by an Enroller WA.

**Enroller:** An Enroller introduces a new WA or WC, and is eligible for increases in Rank and Fast Start Bonuses according to the activity of the WA or WC. Enrollers also enjoy the ability to designate a new WA's or WC's Sponsor within the Enroller's Organization. **Local Market:** A single country or grouping of countries or regions that the Company designates.

**Loyalty Rewards Program (LRP):** The Loyalty Rewards Program is a product ordering program wherein a WA can set up automatic monthly deliveries of doTERRA products, and which is one of the qualification requirements for a WA to receive some Bonuses.

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

**Organization:** The group of WAs or WCs sponsored by a specific WA and the downline chain of sponsorship.

**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. A Rank may not be lost after promotion

to it, although Bonuses, etc. will be calculated based on the Rank corresponding to activity results at the time of calculation.

Policy Manual: This document.

**Product Claims:** Claims related to the efficacy or effect of doTERRA products. Product claims are regulated by national or local governments in which the WA does business, including governmental agencies in the jurisdiction of the WA.

**Product Credits:** Product Credits are non-cash-redeemable points that can be used only to purchase Company designated products. Product Credits are granted for purchases by the WA or WC (reward points) and at the time of returns and at other times as part of the LRP, and at the discretion of the Company. No Personal Volume or Organizational Volume is associated with the redemption of Product Credits (see also Company Credit).

**Sales Aid:** Any material, used in the offer or sale of Company products, recruitment of prospective WAs and WCs, or training of WAs and WCs. As a tool to support the WA's business, we provide materials in reference to the Company, Company products, the Sales Compensation Plan, etc., in printed matter and digital data.

**Sponsor:** A WA who has a new WA or WC placed directly underneath him or her (at the first level) in his or her Organization. Also called a Placement Sponsor. May be the same as the Enroller.

**WA** (**Wellness Advocate**): A Person who is an independent contractor authorized by the Company to purchase and retail products to Customers, recruit other WAs and WCs, and receive Bonuses in accordance with activities under 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, WA refers to all Persons collectively, although each Person individually has all the WA rights and obligations.

**WA Agreement Form:** The application, whether in printed or electronic form, to become a WA which, being filled out the required information and upon acceptance by the Company, is part of the Contract between the WA and the Company.

**Wholesale Customer (WC):** A WC is a Person who purchases products at a discount. A WC does not earn bonuses through the dōTERRA Compensation Plan. A WC, however, may earn reward points and other benefits through dōTERRA's LRP and participate in some promotions..

Wholesale Customer (WC) Agreement Form: The application, whether in printed or electronic form, to become a WC. To be filled out the required information and submitted.

#### **Section 3. Code of Ethics**

dōTERRA expects and requires WAs to conduct themselves in accordance with the highest standards of ethical behavior, as the face of dōTERRA. The following guidelines help ensure a uniform standard of excellence throughout the dōTERRA organization. All WAs are expected to practice the following ethical behavior when introducing people to, and representing the Company and its products. Violations of the Code of Ethics may subject the WA to disciplinary action by the Company depending on the materiality of the violation. All WAs should:

**A.** Be respectful of every person while conducting doTERRA 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, 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 doTERRA 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 recruited and sponsor and who are in their Organization.
- **G.** Accurately teach and represent the doTERRA 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 bonus details as marketing materials.
- **H.** Abide by all doTERRA policies and procedures as they are currently found in this Policy Manual. (They may be amended in the future.)

# Section 4. Becoming a WA or WC

The WA and WC relationships are the most valuable relationships at doTERRA. The Company takes great pleasure in teaming up with WAs to enrich people's lives with our products and business.

# A. Signing Up as a WA

To become a WA, each applicant must:

- 1. Pay a 3500 yen (tax included) signing up fee.
- 2. Submit a properly completed WA Agreement Form to the Company within 30 days from the date of the Agreement;
- 3. Be at least 20 years of age and be competent to enter into the Agreement;
- 4. [Provision relating to U.S. residents only omitted]

# B. Signing Up as a WC

An individual or a corporation may apply to be a WC if they meet the requirements set forth in the WC Membership Agreement and Terms and Conditions.

To become a doTERRA WC, each applicant must:

- 1. Pay a 3500 yen (tax included) signing up fee.
- 2. Submit a properly completed Wholesale Customer Agreement Form to the Company within 30 days from the date of the Agreement;

#### C. WCs Who Wish to Become WAs

A WC who meets WA signing up requirements may become a WA by signing a WA Agreement and by completing the signup requirements. A completed WA Application must be submitted to the Company for review.

# D. Acceptance or Rejection of WA or WC Applications.

dōTERRA reserves the right, at its sole discretion, to approve or decline a submitted WA or WC Application or online sign-up.

# E. Inaccurate Applications

An incomplete, incorrect, or fraudulent WA/WC Agreement Form will be deemed invalid from its inception.

# F. Binding Effect of One Member of a Distributorship (WA Account)

Where there is more than one Person who will be a part of a Distributorship (WA Account) as a co-applicant, the action, consent or acceptance by one Person binds the entire Distributorship (WA Account).

# G. Duty to Maintain Accurate Information

To help ensure that the Company has the most current information, WAs must advise the Company of changes to the submitted forms and attachments. Proposed changes to personal information should be submitted on a WA Agreement Form or Business Application with "Change" checked and signed by all members of the account (including co-applicants, etc.).

# **H. Business Application**

Not only an individual but also a corporation may become a dōTERRA WA by submitting, with the Business Application, true and correct copies of the formation documents (including certified copy of the corporate registry), together with any other related documents the Company will request. The name and official seal, or the signature, of the representative is required on the application. The application will be completed after approval by dōTERRA. The signup of a business entity cannot be done online.

Once a business has signed up, its representative may not sign up as a WA. Similarly, a signed-up WA may not sign up as representative of a Business member. In addition, a spouse of a representative of a Business member may not sign up as an individual WA. Similarly, a spouse of a signed-up WA may not sign up as representative of a Business member.

#### I. Term of Contract and Contract Renewal

The term of the Contract is one year from the date dōTERRA has approved signup of the WA or WC. Unless the WA or WC notifies the Company of his or her intent not to renew, or unless the Contract is terminated by the Company, the Contract is automatically renewed each year on its yearly anniversary date.

The WA or WC agrees to pay an Annual Renewal Fee on or before the anniversary date of acceptance of the application. The WA or WC agrees and authorizes the Company to automatically charge the amount of 2000 yen (tax included) to his or her account each year on the anniversary date to renew the Contract with the Company. The Company may elect to add the Annual Renewal Fee to the next product order in or after the following month.

A WA who does not have a Downline on the renewal date may be renewed as a WC, and agrees to be subject to the Wholesale Customer Agreement Form. The Annual

Renewal Fee helps the Company provide the WA or WC 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 communications from the Company.

# J. Simultaneous Interests in Distributorships (WA accounts) Prohibited.

A WA or WC may not have a simultaneous beneficial interest or be a co-applicant in more than one Distributorship or WC account. A beneficial interest includes, but is not limited to, any present or future ownership interest; rights to benefits, financial or otherwise; rights to purchase at wholesale prices; recognition; or other tangible or intangible benefits associated with a Distributorship or WC.

Married spouses who are WAs or WCs must be part of the same Distributorship, and cannot have more than one Distributorship or WC account, or rights or interests thereto, between them.

A business owner cannot have a Distributorship in the name of the business and a separate Distributorship in the owner's own name, or have a beneficial interest in a WC account. An exception to this rule is the Presidential Diamond Multiplier Account. See, p. 28.

# K. Independent Contractor Relationship Between WA and the Company.

A WA is an independent contractor and not an employee, agent, partner, legal representative, etc. of doTERRA. A WA is not authorized to and will not incur any debts, expenses or obligations, or open any deposit accounts on behalf of, for, or in the name of doTERRA.

WAs control the manner and means by which they operate their doTERRA 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, employees' salary, office overhead, telephone and other expenses.

WAs are not treated as employees of the Company for tax purposes, and the Company is not responsible for withholding taxes from WAs. WAs are responsible for national, local, and all other appropriate tax filing and payment procedures.

# L. Company Recognition

The Company may choose to recognize WAs at selected events and in various publications and content including conventions and leadership 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.

\* Since these provisions were established by dōTERRA in the U.S., handling may vary by local market.

#### M. [Provision relating to U.S. residents only omitted]

# **Section 5. Purchasing Products**

- **A.** A Person is not required to purchase any product in order to be a doTERRA WA or Customer.
- **B.** Only WAs may purchase doTERRA products for resale or personal use.
- 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. 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 a WA is governed by Section 12 of this Policy Manual.

#### E. Credit Card Use

WAs are strongly discouraged from using their own credit cards to purchase products for another WA or Customer. In those rare circumstances where it is necessary to purchase product for another WA or Customer, the Company must receive written permission from the WA or Customer for whom the product order is being placed. Failure to produce such permission upon request of the Company may result in cancellation of the sale, forfeiture of the bonus resulting from the sale, and other disciplinary action as outlined in Section 19. WAs are prohibited from using their own credit cards to purchase products for another WA who has been a WA for less than 30 days.

**F. G.** [Provisions relating to U.S. residents only omitted]

# **Section 6. Product Return Policy**

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

1. dōTERRA will refund one hundred percent (100%) of the purchase price (plus applicable tax if prepaid) of Currently Marketable products (see D below) that are returned by a WA or Customer within thirty (30) days of purchase from the Company,

less shipping costs and paid Bonuses if the return will make the order ineligible for free shipping or 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 not Currently Marketable that are returned by a WA or Customer within (30) days of purchase, less shipping costs and paid Bonuses if the return will make the order ineligible for free shipping or Bonuses.

# B. Returns Thirty-one (31) days to Ninety (90) days After Purchase.

From thirty-one (31) days and up to ninety (90) days from the date of purchase, dōTERRA will provide a Product Credit of one hundred percent (100%) or a refund of ninety percent (90%) of the purchase price (plus applicable tax if prepaid) on Currently Marketable products that are returned by a WA or Customer, less shipping costs and paid Bonuses if the return will make the order ineligible for free shipping or 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 a WA or Customer, less shipping costs and paid Bonuses if the return will make the order ineligible for free shipping or 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 doTERRA labeling and packaging.
- \* Products unavailable at the time of request for return (seasonal or discontinued products, limited time offers, or special promotion products) shall not be considered Currently Marketable. Products disclosed to be any of the above products prior to purchase may not be returned.

# E. Return of Damaged, Defective, or Incorrectly Sent Products

dōTERRA will exchange products if the returned products were received by the purchaser in damaged or defective condition or 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.

#### F. Duty to Retain Sales Order Number

In order for the Company to correctly and quickly process returned products, the original sales order number from the invoice must be retained. Retaining the invoice for at least one year after purchase is recommended to enable returns.

#### G. Kit Returns

Products purchased as part of a kit or package must be returned as the entire kit. Repurchase the needed individual products after returning the kit or package.

#### H. Refund Alternatives

The Company at its discretion may determine the acceptable refund alternatives for product returns, including but not limited to the following: doTERRA Company Credit, Product Credit, 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.

#### I. Return Procedure

To obtain a refund for returned products or Sales Aids, a WA or WC 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 by fax or email, and the actual return shipment must be accompanied by the WA or WC number.
- 2. The Company will provide the WA or WC with the correct procedures and location for returning the products. All return shipping costs must be paid for by the WA or WC, except for damaged, defective, or incorrect products.
- 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 or WC. The shipping cost will be borne by the WA or WC.
- 4. This return/refund procedure may vary in a country or region where different laws and regulations may stipulate conditions for returns. In that case, applicable laws and regulations are given priority, and the procedures and regulations for returns and refunds may differ.
- 5. The Company may charge the WA or WC a fee for shipments that are and returned to the Company due to lengthy absence, incorrect address, unknown current address, refusal at the point of delivery, or other reasons.

## J. Company's Right to Recoup Unearned Bonuses

Bonuses are paid to WAs based on the purchase of Company products by retail customers or by members of their Downline Organization. When products are returned, the Company has the right to recoup the Bonuses that were paid based on the purchase of the products that were returned. The Company may recoup these Bonuses by requiring a WA to pay the Company directly, or the Company may withhold the amount of the Bonus from future Bonus payments.

#### K. Return of Personalized Sales Aids

Personalized Sales Aids are not returnable or refundable, except for personalized Sales Aids that are defective or incomplete. Such sales aids must be returned within thirty days and in conformance with the Product Return Policy.

# L. Credit Card Charge Backs

WAs are required to return products under the Company's product exchange and return policies as described in this Section, rather than doing a credit card chargeback.

# Section 10. Sales Compensation Plan

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

# Retail Markups

WAs can buy dōTERRA products from the Company at wholesale prices and sell to resale customers. The Company suggests retail prices (shown on p. 34-44 of this document) as a guideline for resale. However, WAs are free to set their own selling price, for personal consumption by the buyer only, as long as they are not lower than the wholesale prices. Separate provisions are established under Section 13 [Contractual Provisions] for online sales.

#### **Bonuses**

WAs can also earn bonuses based on the sale of products themselves or by WAs or WCs belonging to their organizations 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) point.

#### A. Definitions

**Commissionable Order (Bonus-eligible order):** An order that is assigned Personal Volume points, which is ordered and paid for by a WA or WC.

**Company Volume:** Company Volume is the collective Personal Volume of all WAs and WCs that are currently doing business with dōTERRA. This includes purchase by WAs, WCs, and Retail Customers.

**Frontline Organization:** A Frontline Organization is the Organization of one of a WA's personally sponsored WAs and his or her Customers.

**Local Market Volume:** The collective Personal Volume of all WAs and WCs who are registered in a designated Local Market. Local Market Volume is a term used to define the Founder's Club Bonus.

**Organizational Volume (OV):** The total PV achieved by a WA and the entire WA's Organization.

**Personal Volume (PV):** The sales volume, measured in points, of products sold to a WA in one calendar month, primarily for resale to customers or personal consumption. The number of points is set for each product, but not all products qualify for PV value. PV does not include products sold with Product Credit. The PV by order and its breakdown can be viewed in the order history in My dōTERRA Office.

**Primary Bonus:** The sum total of all bonuses paid to a WA except the Fast Start Bonus and the Founders Bonus, which are paid on a specific day of the month. The Primary Bonus consists of Retail Points, Uni-level, Power of Three, Infinity Performance Pool and Diamond Pool Bonuses.

**Qualified Leg:** A requirement to be qualified for the rank of Premier or above. A Qualified Leg is a Frontline Organization (Leg) of a WA with Enrollee(s) who attain(s) a designated Rank. One Frontline Organization constitutes one Qualified Leg and even if an organization has more than one qualified WA, it will be counted as one Qualified Leg.

**Qualified LRP Orders:** A Qualified LRP Order is a single LRP order over 100 PV in the qualifying month for a sponsored WA or WC. All Qualified LRP Orders must be paid for by credit card in the name of the WA or WC listed on the account, or with cash, and must be shipped to the primary address listed on the account. If there were no Qualified LRP Order due to the return will result in suspended payment of bonuses that no longer meet payment requirements, or recoupment of the previously paid bonus earned by deducting it from bonuses paid in later months.

**Team:** A term used in the Power of Three Bonus. A Team is made up of WAs, and WA, WC and retail customers who are organizationally on the first level of the organization sponsored by the WA.

**Team Volume (TV):** A term used in the Power of Three Bonus. The combined Personal Volume of the members of a Team. It includes the volume of not only LRP orders but also initial orders and regular orders.

#### **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, Fast Start Bonus, Power of Three Bonus, Uni-level Bonus, Infinity Performance Pools, Diamond Pools, and Founder's Club Bonus.

# 1. Fast Start Bonus- an Enroller based bonus.

A Fast Start Bonus is paid weekly to Enrollers, WA, depending on the PV of the product purchased in the first sixty (60) days by new WA's or WC's. The bonus is paid to the new WA's first, second, and third level Enrollers. See the Figure on the right for the percentage paid to each level.

To qualify for the Fast Start Bonus, each Enroller must satisfy the following conditions. No bonus roll-up (Compression) will take place if the conditions are not satisfied.

- (1) have a Loyalty Rewards Program (LRP) template set to at least 100 PV for the month, and
- (2) Actually purchased and complete a Qualified LRP Order.

The previous week's bonus (Monday through Sunday) is calculated and determined on Tuesday of each week and remitted on Monday of the following week. However, a bonus totaling less than 3000 yen is credited to the each WA's accounts receivable (AR) and paid together with the Primary Bonus. No Uni-level Bonus (see pp. 27-29) is paid on these orders during the period covered by the Fast Start Bonus.

The Fast Start Bonus Structure

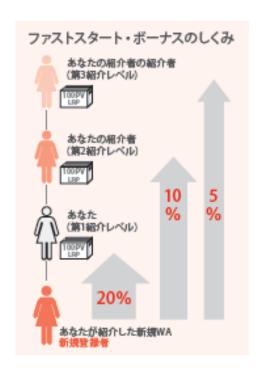
Your referrals' referrals (Third level Enrollers)

Your referrals (Second level Enrollers)

You (First level Enroller)

New WAs referred by you New Enrollers

\* The bonus will not be paid to a placement sponsor who is not an Enroller.



# 2. Power of Three Bonus – a Sponsor based bonus.

The Power of Three Bonus is a monthly bonus paid to Sponsors that can be 5,500 yen, 27,500 yen, or 65,000 yen. In order to qualify for the Level 1 bonus, the WA must have at least three personally sponsored active WAs or WCs on your Level 1.

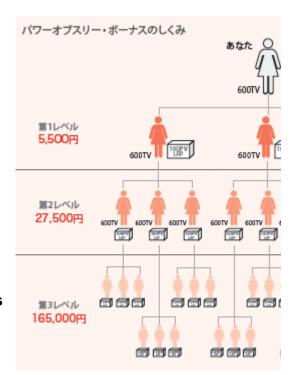
The Power of Three Bonus Structure You

Level 1 5,500 yen

Level 2 27,500 yen

Level 3 165,000 yen

Level 1: The 5,500 yen Power of Three Bonus In order to qualify for this bonus, a WA must have a Qualified LRP Order as well as three or more personally sponsored WAs or WCs with Qualified LRP Orders and a Team Volume (TV) of 600 or more.



# Level 2: The 27,500 yen Power of Three Bonus

In order to qualify for this bonus, a WA must first qualify for the Level 1 Power of Three Bonus. In addition, at least three WAs personally sponsored by the WA must meet the Level 1 bonus qualifications.

#### Level 3: The 165,000 yen Power of Three Bonus

In order to qualify for this bonus, a WA must first qualify for the Level 2 Power of Three Bonus. In addition, at least three WAs personally sponsored by the WA must meet the Level 2 bonus qualifications.

#### Multiple Power of Three Structures

WAs can have multiple Power of Three structures. When a WA completes the Level 3 Power of Three structure, the WA can qualify to construct an additional structure. The WAs and WCs counted in the first bonus structure cannot be used to qualify a Sponsor for additional bonus structures.

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

The Uni-level Bonus is paid to WAs each month. The Uni-level Bonus is based on the monthly volume of sales to 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 (OV) of the sponsor organization. The Rank that serve as the bases for payment levels are certified by satisfying the OV or Qualified Leg set for each month. If the payable WA does not meet the requirements, it is raised to one higher level (compression), and resulting in all uni-level bonuses for all purchases are paid to WAs. Sales on which Fast Start Bonuses are paid do not get included in the Uni-level volume.

# **Achieving Ranks**

To achieve a Rank, each Rank has minimum monthly requirements of Personal Volume and Organizational Volume. For instance, the Manager Rank requires 100 PV and 500 OV. At least 100 PV is required for all ranks other than Consultant.

#### **Ranks and Levels**

Each Rank corresponds to the number of organizational levels from which the WA can receive compensation. For example, the Rank of Executive receives compensation from four levels. Generally, as a WA advances in Rank, he or she is paid from deeper levels in his or her Organization, untilhe or shereaches Silver. All ranks from Silver to Presidential Diamond pay from at least seven levels.

The percentage of OV that is paid to a WA also changes from level to level. As delineated in the Figure on the following page, the first level pays two percent (2%), and the percentage increases up the levels until reaching seven percent (7%) on the seventh level. The bonus cumulates levels of payment, so that an Executive will receive two percent (2%) for the first level, plus three percent (3%) for the second level, and five percent (5%) for both level three and level four.

#### Qualified Legs and Ranks.

To achieve the Rank of Premier and above, a WA must have Qualified Legs on the WA's Frontline Organization. For example, a WA wishing to attain the Rank of Silver is required to have three Elite Qualified Legs.

#### Sixth and Seventh Level Conditions

In order to qualify for bonus payments, commission or other compensation on the sixth and seventh levels, a WA must (1) be Active, and (2) have enrolled at least one new Person into the business in the past three months.

# Compression

The doTERRA Sales Compensation Plan maximizes payment to WAs through Compression. When a WA's Rank does not qualify the WA to receive a bonus, 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 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 qualifies to receive commission 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 commission that month.

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.

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 Presidential Diamond 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 there is a total of at least six platinum legs between the PD1 and M1 together. In this case, the M1 account would not be paid, but the PD1 account would be paid.

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 PD1 account.

# 4. Infinity Performance Pools – a bonus based on leadership performance

The Infinity Performance Pools are earned and paid each month to Premier Ranks and above. The Infinity Performance Pools collectively represent four percent (4%) of the Company Volume—the Empowerment Pool (1%), the Leadership Performance Pool (2%), and the Diamond Performance Pool (1%). A 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.

# **Empowerment Pool**

A WA that qualifies as a Premier or Silver and that enrolls one new WA or WC with 100 PV or more in a month, will receive 1% of the Company Volume.

#### <Uni-level bonus structure>

	Consultan t	Manage r	Directo r	Executiv e	Elite	Premiere	Silve r	Gold	Platinu m	Diamon d	Blue Diamon d	Presidenti al Diamond
Monthly	50	100	100	100	100	100	100	100	100	100	100	100
PV Monthly OV	-	500	1,000	2,000	3,00	5,000	-	-	-	-	-	-
Qualifie	-	-	-	-	-	2	3	3	3	4	5	6
d Legs Rank of Qualifie d Legs	-	-	-	-	-	Executiv e	Elite	Premier e	Silver	Silver	Gold	Platinum
Level 1 Level 2	2%	2% 3%	2% 3%	2% 3%	2% 3%	2% 3%	2% 3%	2% 3%	2% 3%	2% 3%	2% 3%	2% 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** 

<Structures of other bonuses> Above: Base share Below: Additional share

- Infinity Performance Pools: 4% of Company Volume
- Empowerment Pool (1%)

Must have enrolled at least one new WA or WC with 100 PV or more in the month. No additional share paid.

Empowerment Pool			
(1%)			
1	1		
-	-		

- Leadership Performance Pool (2%)

Additional share awarded for each first-time Elite enrolled in the month.

Leadership Performance Pool	
(2%)	

1	5	10
+1	+1	+1

# - Diamond Performance Pool (1%)

Additional share awarded for each first-time Premier enrolled in the month

Diamond Performance Pool				
(1%)				
1 2 3				
+1 +1 +1				

# • Diamond Pool: 3% of Company Volume

Additional share awarded for each first-time Premier (or Silver for a Presidential Diamond) enrolled in the month

		'
Diamond Pool	Blue Diamond Pool	Presidential Diamond
(1%)	(1%)	Pool
,	, ,	(1%)
3	3	3
+1	+1	+1

#### **Leadership Performance Pool**

WAs with the Rank of Silver, Gold, or Platinum receive shares specified for each Rank. A share's monthly bonus is equal to 2% of the Company Volume. 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. A 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, a 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.

#### **Diamond Performance Pool**

Each Diamond receives one share in the Diamond Performance Pool. A share's monthly bonus is equal to 1% of the Company Volume. Each Blue Diamond receives two shares in the pool, and each Presidential Diamond receives three shares in the pool. A WA can earn an additional share for the month if the WA is the Enroller of a first-time Premier. Again, as with the Leadership Performance Pool, shares do not cumulate from one Rank to the next.

# 5. Diamond Pools – a bonus based on leadership performance.

The Diamond Pools operate in a similar fashion to the Infinity Performance Pools. A total of 3% of the Company Volume is allocated to each rank in shares of 1% of the Company Volume. shares do not cumulate from one Rank to the next.

#### **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:**

#### a. 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.

#### b. 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. Founders Club Bonus: A bonus based on market development

As an incentive to WAs who do business in new Local Markets, dōTERRA offers a Founders Club Bonus based on market development. 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. The Founders Club Bonus is paid yearly.

#### Qualification

Each qualification period will be twelve months unless otherwise indicated. Once a WA reaches the position of Founder, each year he or she 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.

Founder positions are unique to the WA who initially qualified. The position cannot be conveyed, transferred, gifted or sold to another WA or Person and does not extend beyond the death of the individual Founder. 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. Not every market will be offered Founders positions.

#### 7. The Loyalty Rewards Program

WAs and WCs can ensure they receive monthly deliveries of doTERRA 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 or WC's LRP Order is at least 50 PV every month, the WA or WC is eligible to receive Product Credits each month.

# **Redemption of Product Credits**

After the WA or WC has been an LRP participant for 60 days, he or she may redeem Product Credits for full PV products. Product Credits may be redeemed in the same ways as ordinary orders (e.g., through telephone or Website ordering). The credits can be redeemed for a 300 yen (tax included) fee and a shipping charge of 600 yen (tax included). Shipping is free when redeemed at the same time as an order eligible for free shipping. Products obtained with LRP credits are not for resale, nor can such product be returned. LRP Product Credits can be redeemed for 12 months from the date of issue, after which they expire. 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 LRP order may be cancelled only by calling Member Services.

#### **Ordering on Behalf of Another**

A WA may not set up an LRP order on behalf of another participating WA, or WC in principle. When doing so is unavoidable, the written permission of the participating WA or WC, whose written permission must be on file with the Company prior to setting up the order, is required. Such an order must be paid for by the participating WA or WC and must be shipped to the primary address listed on the participant's account.

#### 8. Special or Promotional Bonuses or Rewards

From time to time, special bonuses or promotions are offered to WAs and Customers. The products offered in this way may or may not have any PV and may not qualify a WA for bonuses resulting from the ordering of these products. The details of each of these offerings will be made available on the Website and via the email newsletter.

# 9. General and Miscellaneous Compensation Provisions No Compensation Solely for Enrolling Another

A WA receives no bonus only for being enrolled or enrolling or sponsoring other WAs. Bonuses are paid based on sales to the WA himself or herself, other WAs or WCs within the WA's Organization, and customers.

# **No Guaranteed Compensation**

As with any other sales opportunity, the compensation earned by WAs varies significantly. The cost to become a WA is very low. People become WAs for various reasons. Most who wish to simply enjoy the Company's products at wholesale prices will sign up as a WC, but may also sign up as a WA. 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 a 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 a 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. Product sales must be completed, and payment received, by the last day of the bonus period in order to be paid or qualify for a Rank for that period.

#### **Preconditions to Bonus Payments**

WAs can receive a bonus only if they fulfill all requirements of the doTERRA 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 WA Agreement Form.

#### **Concentrated Legs**

In the event the volume from one leg of a WA's Organization exceeds eighty percent (80%) 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 the Rank of Premier; \$13,000.00 if the WA holds the Rank of Silver; and \$18,000.00 if the WA holds the Rank of Gold. Amounts in excess of the above limits shall not be paid, carried over to the next month, or rolled up to higher ranks. Once the Rank of Platinum is achieved, there is no cap on the Primary Bonus.

# **Redemption of Company Credit**

Company Credits on products ordered are issued when the order has been paid. If 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 that receives a bonus agrees to retain documentation, for a period of 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 suspend payment of any bonus or to recoup any bonuses 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 suspend payment of any bonuses or recoup any bonuses paid to WAs on products:

- a. returned under the Company's Return Policy;
- b. returned to the Company under any applicable law:
- c. 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 doTERRA Sales Compensation Plan opportunity; or
- d. 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, at 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**

[Provision relating to U.S. residents only omitted]

#### **Section 11. Product Claims**

A. Many products fall under nutritional (including additive) and cosmetic classifications set forth by laws and regulations. The Ministry of Health, Labour and Welfare regulates and oversees the production and sale of cosmetic products to assure their safety. The Company must comply with labeling and packaging standards.

- B. A WA may represent that doTERRA products are safe to use.
- C. When discussing doTERRA products, a WA must refer to the statement: "This product is not intended to treat, cure, or prevent disease."
- D. A 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 foods, nutritional supplements, cosmetics, or sundries. Under no circumstance should these products be likened to drug products prescribed for the treatment of specific ailments.

#### Information

#### Official Website

https://www.doterra.com/JP/ja\_JP

#### My doTERRA Office

https://www.mydoterra.com

#### dōTERRA Times

https://www.doterra-info.jp

#### [Contact us]

dōTERRA Japan Member Services

M-F 9:00-17:30 (closed on national holidays and during the year-end/New Year's holidays)

From a landline phone: 0800-100-0789 (toll-free)

From a mobile phone: 03-4589-2610

Fax: 03-4589-2601

Email: japan@doterra.com

#### **Customer Service Center**

M-F 10:00-12:00, 13:00-16:00 (closed on national holidays and during the year-end/New Year's

holidays)

Tel.: 0120-59-7272 (toll-free)

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