

POLICY MANUAL

Section 1. INTRODUCTION

This dōTERRA® Policy Manual (Policy Manual) is designed to assist you as a Wellness Advocate (“WA”) and to provide you with information that will help you as you share the products and the financial opportunity of dōTERRA. You should read, understand, and comply with all provisions of the Policy Manual. It describes many of your responsibilities of a WA. The Policy Manual forms part of your Contract (as defined below). We recommend that you seek independent legal advice on your rights and obligations under this Policy Manual, and under the Contract as a whole.

No Policy Manual can anticipate every circumstance or question about policy. As dōTERRA continues its business, the need may arise and dōTERRA reserves the right, to revise, supplement, or rescind any policies or portion of the Policy Manual.

Section 2. Definitions

Active: A Wellness Advocate (WA) or Wholesale Customer (WC) who has purchased dōTERRA products within the past twelve months.

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

Allowed Content: Allowed Content means only the Content, which is quoted or published in the section of www.dōTERRA.com/tools, related to the Local Market in which a Wellness Advocate markets products or recruits other Wellness Advocates.

Bonus: Compensation (sometimes called “commissions”) paid by the Company to a WA based on the volume of products sold by a WA’s Organisation upon meeting the requirements of the Sales Compensation Plan.

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

Company: Company or “dōTERRA” means dōTERRA Enterprises, Sàrl and dōTERRA New Zealand as subsidiary.

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 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, the Wellness Advocate Agreement together with any Business Application Addendum.

Corporation: Any business entity such as a trust, partnership, limited liability company, or other form of business organisation legally formed under New Zealand law.

Customer. The term “Customer” includes Wholesale Customers.

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 doTERRA New Zealand, doTERRA International, LLC, dōTERRA Holdings, LLC, or doTERRA Enterprises, Sàrl or an affiliated company or companies claim 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, existing anywhere in the world.

Downline: Another term for Organisation.

Enrolee: An Enrolee is a WA who was enrolled by an Enroler.

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

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.

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

Organisation: The group of Wellness Advocates (WAs) and Wholesale Customers (WCs) sponsored in a WA's direct and subsequent downline chain of sponsorship.

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

Product Claims: Claims related to the efficacy or effect of dōTERRA products. Product claims are regulated by New Zealand law.

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 Organisational Volume is associated with the redemption of Product Credits (compare, Company Credit).

Ranks: Designations (levels) earned by and given to WAs in the 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 based on the sales of the Wellness Advocates and Wholesale Customers that you personally sponsor, the sales of the consultants they sponsor, and the way that your downline Organisation is configured. The name of a rank does not denote an employment position with the Company.

Sales Aid: Any material, whether physically printed or in digital form, used in the offer or sale of Company products, enrolment or sponsorship of prospective WAs, or training of WAs, which makes reference to the Company, the Company products, the Sales Compensation Plan, or dōTERRA Intellectual Property.

Sponsor: A Wellness Advocate who has another WA placed directly underneath him in his Organisation (compare, Enroler).

Wellness Advocate (WA): A Person who is an independent contractor authorised by the Company to purchase and sale products, enrol 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 a Wellness Advocate which, upon acceptance by the Company, is part of the Contract between the Wellness Advocate and the Company.

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

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

Section 3. Code of Ethics

dōTERRA expects and requires its independent sales force to conduct themselves in accordance with the highest standards of ethical behavior and has accordingly put in place the Code of Ethics set out in this Section 3 ("**Code of Ethics**"). dōTERRA Wellness Advocates are expected to practice the Code of Ethics when introducing people to, and representing the Company and its products. Violations of the Code of Ethics may subject the Wellness Advocate 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 organisation. All Wellness Advocates should:

1. Be respectful of every person while conducting dōTERRA related business.
2. Conduct themselves and their business activities in an ethical, moral, and financially honest manner and comply with all applicable laws and regulations. Wellness Advocates should not engage in fraudulent or illegal activities, or otherwise engage in activities and behavior that would bring disrespect or embarrassment to dōTERRA, or damage the goodwill of the Company or otherwise bring it or its corporate officers, employees, themselves, or other Wellness Advocates into disrepute.
3. Refrain from making negative or disparaging statements about other companies, their employees, or their products.
4. Refrain from making negative or disparaging statements about other dōTERRA Wellness Advocates.
5. Be truthful in representations of dōTERRA products. Do not make diagnostic, therapeutic, curative, or misleading or exaggerated claims about dōTERRA and dōTERRA products that are inconsistent with Company approved claims.
6. Give support and encouragement to customers to ensure that their experience with dōTERRA is meaningful and rewarding. Wellness Advocates should provide proper support and training to those they sponsor, and, who are in their Organisation.
7. Accurately teach and represent the dōTERRA Sales Compensation Plan. Be honest in explaining the income one may earn under the Sales Compensation Plan. Wellness Advocates should not use their own income as an indication of other's potential success, or use compensation checks as marketing materials.
8. 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. 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 Resale dōTERRA Products.** Only WAs are eligible to purchase dōTERRA New Zealand Products (Local Products) that will be resold.
- 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 the Company forms the reasonable view that the Bonuses have been generated on sales in violation of the Contract or this Policy Manual.
- 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 a 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.
- 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 a 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 cheques 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 5. Product Return Policy

dōTERRA's return policies set out in A to C below are in substitution for any other rights, remedies, warranties or guarantees, and to the extent permitted by law, represent dōTERRA's sole liability to the WA for any faulty or otherwise defective product. The WA acknowledges that the products (other than those being kept for personal use) are being purchased for business purposes (as provided in

section 43 of the Consumer Guarantees Act 1993), and agrees that the terms and guarantees under that Act do not apply to such products.

A. Returns on Products Within 30 Days.

1. dōTERRA will refund one hundred percent (100%) of the purchase price (plus applicable tax if prepaid) of Currently Marketable products that are returned by a WA within thirty (30) 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 not Currently Marketable that are returned by a WA within (30) days of purchase, less shipping costs and paid Bonuses.

B. Returns Thirty-one (31) days to Ninety (90) days After Purchase. From thirty-one (31) days and up to ninety (90) days from the date of purchase, dōTERRA will provide a Product Credit of one hundred percent (100%) or a refund of ninety percent (90%) of the purchase price (plus applicable tax if prepaid) on Currently Marketable products that are returned by a 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 a 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. Products shall not be considered Currently Marketable if the Company discloses prior to purchase that the products are seasonal, discontinued, limited time offers, or special promotion products not subject to the Return Policy.

E. Return of Damaged or Incorrectly Sent Products. dōTERRA will exchange products if the returned products were received by the purchaser in damaged condition or were incorrectly sent. Such products must be returned promptly. 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 exchanged products.

F. Duty to Retain Sales Order Number. In order for the Company to correctly recoup the applicable Bonuses on returned products, the original sales order number from the invoice must be retained. This number must be provided to the Company at the time the request for a refund is made.

G. Kit Returns. Products purchased as part of a kit or package must be returned as the entire kit.

H. Refund Alternatives. The Company in its discretion and to the extent permitted by law may determine the acceptable refund alternatives for product returns, including but not limited to the following: dōTERRA Company Credit, Product Credit, bank cheque, 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 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. The Company may charge a \$10 NZD fee for shipments that are refused at the point of delivery and returned to the Company.
- J. **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 Organisation. 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 set off the amount of the Bonus from future Bonus payments or other amounts owed to the Company.
- K. **Return of Personalized Sales Aids.** Personalized Sales Aids are not returnable or refundable, except for personalized Sales Aids with printing errors. Such sales aids should be returned promptly 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 rather than doing a credit card chargeback.

Section 6. Wellness Advocate's Relationship with the Company

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

- A. **Signing Up as a Wellness Advocate.** To become a dōTERRA Wellness Advocate each applicant must:
 - 1. Pay a non-refundable NZD\$40 application fee
 - 2. Submit a properly completed Wellness Advocate Agreement Form to the Company within 30 days from the date of the Agreement;
 - 3. Be at least 18 years of age and otherwise be satisfactory to the Company in all respects;
- B. **Acceptance or Rejection of Wellness Advocate.** dōTERRA reserves the right, in its sole discretion, to approve or decline submitted Wellness Advocates.

- C. **Inaccurate Applications.** An incomplete, incorrect, or fraudulent Wellness Advocate Agreement Form will be deemed invalid from its inception.
- 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 Wellness Advocate Information.** To help ensure that the Company has the most current information, Wellness Advocates must advise the Company of changes to the submitted Wellness Advocate and attachments. Proposed changes to personal information should be submitted on a new Wellness Advocate or Business Application Addendum with the word “Amended” written across the top. All parties to the Distributorship should sign the amended agreement before submitting it to the Company.
- F. **Business Application Addendum.** A Corporation, may become a dōTERRA Wellness Advocate by submitting, with the Business Application Addendum, true and correct copies of the formation documents, together with any other related documents the Company will request. The authorised office, agent or trustee will sign the Wellness Advocate Agreement. The sign-up of a business entity cannot be done online.
- G. **Simultaneous Interests in Distributorships Prohibited.** A Wellness Advocate may not have a simultaneous beneficial interest or be a co-applicant in more than one Distributorship. A beneficial interest includes, but is not limited to, any ownership interest; a directorship or shareholding, 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 or defacto partners must be part of the same Distributorship, and cannot have more than one Distributorship between them. A business owner cannot have a Distributorship in the name of the business and a separate Distributorship in the owner’s own name, or another business.
- H. **Independent Contractor Relationship Between Wellness Advocate and the Company.** A Wellness Advocate is an independent contractor and not an employee, agent, partner, legal representative or franchisee of dōTERRA. A Wellness Advocate is not authorised to and will not incur any debt, expense or obligation, or open any bank account on behalf of, for, or in the name of dōTERRA or otherwise bind dōTERRA in any way. Wellness Advocates control the manner and means by which they operate their dōTERRA businesses, subject to compliance with the Contract. Wellness Advocates are solely responsible for paying all expenses they incur, including but not limited to travel, food, lodging, secretarial, office, long distance telephone and other expenses. Wellness Advocates 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 Wellness Advocate receives from dōTERRA, including Bonuses, unless such withholding or deduction becomes legally required. Wellness Advocates are bound by all value added or GST tax collection and remittance agreements between the Company, all appropriate taxing jurisdictions, and all related rules and procedures.
- A. **Company Recognition.** The Company may choose to recognise Wellness Advocates at selected events and in various publications including conventions and magazines. Recognition will be based upon criteria and standards adopted and changed, from time to time, by the Company. The Company will typically recognise Wellness Advocates at the highest Rank they achieved for at least three of the most recent twelve months, except for first time Rank achievement.

Section 7. Retail Sales Obligations and Limitations

- A. **Consumer Guarantees.** New Zealand law requires a WA to provide refunds or replacement of products which breach the guarantees set out in the Consumer Guarantees Act 1993. The WA must comply with the Consumer Guarantees Act 1993 and inform the Company of any queries or other issues which arise with its customers in relation to the application of the Consumer Guarantees Act 1993 (and comply with any Company direction in relation to the same).
- B. **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
1. The front of the retail sales receipt should be completed and include the items ordered, the amount of sale, and the customer's name, address, and telephone number.
 2. The back of the retail sales receipt should be completed to include the date of the sale, the name of the WA, the address, and the 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 refund is requested. The third copy is the WA's receipt of the purchase. If the customer prefers, a WA may, at his or her discretion, make a product exchange instead of a refund.
 4. WAs should keep copies of all retail sales receipts on file for at least seven years. The amount of value added or GST tax collected must also be recorded and produced upon request of the Company.

Section 8. Enrolling or Sponsoring a WA

- A. **Duty to Accept Contractual Responsibilities.** Before a WA may act as an Enroler or Sponsor, the WA must meet all requirements and accepts 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 Organisation of the Enroler listed on the WAA.
- C. **Training and Support of Organisation.** In order to be a successful Enroler or Sponsor, it is recommended that a WA train and support other WAs in his Organisation. A WA's success can come only through the systematic sale of Company products and the product sales of other WAs within his or her Organisation.
- D. **Open Local Markets.** A WA is entitled to enrol or sponsor other WAs only in Open Local Markets. See, Section 11.
- E. **Becoming a Successful Enroler or Sponsor.** To be a successful Enroler or Sponsor and leader, it is recommended that a WA perform the following:
1. Give regular sales and organisational training, guidance, and encouragement to the WA's Organisation. An Enroler or Sponsor should maintain contact with everyone in his or her Organisation and be available to answer questions;
 2. Exercise the WA's best efforts to ensure that all WAs in the WA's Organisation properly understand and comply with the terms and conditions of the Contract and applicable national and local laws and regulations;

3. Intervene in any disputes arising between a customer and any of the WA's Organisation 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 Organisation are conducted in accordance with the Contract and in accordance with any applicable laws and regulations;
 5. Promptly resolve any disputes between the WA, other WAs, and the Organisation of the WA; and
 6. Educate those WAs the WA enrolls and sponsors about the Company Policies.
- F. **Enroler and Sponsor Duty of Care.** Enrolers 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 Organisation or the Company, and must promptly act to rectify any such loss, harm or embarrassment.

At the time of signup, Enrolers should ensure that those they enrol are informed about who is to be their Enroler. WAs should not leave the assignment of enrolership of a new WA to their upline or some other person.

- G. **Realignment of All or Part of an Organisation.** The Company reserves the right to move or realign an Organisation, or parts thereof, from Enrolers 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. A WA who declares bankruptcy may only be able to transfer its distributorship with written approval from the Company.

The Company will give 30 days' advance notice to any Enroler or Sponsor whose Organisation 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 Enroler of the new WA may place the new WA anywhere in the Enroler's Organisation.
- B. **Placement Changes Within Fourteen Days of Signup.** Within 14 calendar days of a new WA's signup with the Company, the Enroler may move the new WA one time anywhere in the Enroler's Organisation (i.e. not outside the Enroler's Organisation), 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 Organisation.
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 the Company) of each WA in his or her Organisation, the Enrolers 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 a WA has breached the Contract,
 - f. The effect of the change on the Organisation, and
 - g. Any other relevant facts.
- D. **Enrolership Reassignment.** With Company approval, the Company will allow one assignment of the enrolership (after the original signup enrolment) of a WA within the Enroler's Organisation. Such an assignment must first be approved by the Company in writing.
- E. **Cross-Company and Cross-Line Recruiting Prohibited.**
1. **Cross-Company Recruiting.** Means the actual or attempted solicitation, enrolment, encouragement, or effort to influence in any way, either directly or indirectly (including but not limited to, through a website), another dōTERRA WA or customer to enrol or participate in another network marketing opportunity. This conduct constitutes recruiting even if the actions of the WA are in response to an inquiry made by another Distributor or Customer.
 2. **Cross-Line Recruiting.** Means the actual or attempted solicitation, enrolment, encouragement, or effort to influence in any way, either directly or indirectly (including but not limited to, through a website), the enrolment 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 enrolment 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.** WAs are prohibited from Cross-Company Recruiting or Cross-Line Recruiting other WAs. The use of false or misleading information, including using a spouse, partner or relative's name, trade names, assumed names, Corporations, IRD numbers, or fictitious identification numbers to circumvent this policy is prohibited.
 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 Distributors, and conversion of the Company's property and misappropriation of the Company's trade secrets and considers the prohibition above to be reasonable. 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 injunctive relief may extend the post-termination period of this restriction for up to one (1) year from the date of the last violation of this provision. The provisions of this Section survive the termination of the Contract. Nothing herein waives any other rights and remedies the Company

may have in relation to the use of its Confidential Information or any other violations of the Contract. Further, 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 for another direct selling company during the term of, or for a period of one year after termination, of the Contract constitutes Cross-Company Recruiting.

Section 10. Product Claims

A. Product Claims

A WA must comply in all respects with New Zealand law consumer and marketing law in marketing and selling dōTERRA products. Without limitation, WA's must ensure that any representation about the quality, value, price, age, benefits, performance, efficacy, safety, ingredients or any other aspect of any dōTERRA product is true and accurate and not misleading or likely to mislead in any way. Using false testimonials is also prohibited

- B. **No Unauthorized Therapeutic, Curative or Drug Claims.** Except as provided in Company Approved Claims List, a WA may not make any medical, therapeutic or curative claim for any product nor specifically prescribe any given product as suitable for any specific ailment, condition, injury or defect as that type of representation implies the products are therapeutic goods or drugs rather than nutritional supplements or cosmetics. Under no circumstance should these products be likened to therapeutic goods prescribed for the treatment of specific ailments. While the Company makes every effort to achieve full compliance with FSANZ regulations, no WA should state or infer that any product is approved by FSANZ (or any other Australian regulatory authority).
- C. **Disclosure.** When blogging or otherwise marketing or promoting dōTERRA or dōTERRA products, a WA must disclose the fact that the WA is a dōTERRA Wellness Advocate who receives bonuses and commissions from the Company.

Section 11. Sales Compensation Plan

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

Retail Markups. Wellness Advocates buy dōTERRA products from the Company at wholesale prices for resale to customers, for use as sales aids, or for personal consumption. The Company suggests retail prices. However, Wellness Advocates are free to set their own selling price and nothing in this Contract shall require a WA to contravene any provision of any law of New Zealand. Advertisements are to be in accordance with the Company minimum advertised price (MAP) policy.

Bonuses. Wellness Advocates 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 Wellness Advocate or Wholesale Customer.

Company Volume: Company Volume is the total amount of personal volume earned by all Wellness Advocates currently doing business with dōTERRA, including the Wellness Advocate's own purchases, purchases by Wholesale Customers, and purchases by Retail Customers.

Frontline Organisation: A Frontline Organisation is the Organisation of one of a Wellness Advocate’s personally sponsored Wellness Advocates and his Customers.

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

Organisational Volume (OV): The Personal Volume of a Wellness Advocate plus the Personal Volume of all other Wellness Advocates, Wholesale Customers, and Retail Customers in the Wellness Advocate’s Organisation.

Personal Volume (PV): The point value of products purchased by a Wellness Advocate in one calendar month, primarily for resale to customers or personal consumption of the Wellness Advocate. 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 Wellness Advocate except the Fast Start Bonus and the Founders Bonus. The Primary Bonus consists of Uni-level, , Power of Three, Infinity Performance Pool and Diamond Pool Bonuses. The Primary Bonus is paid monthly.

Qualified Leg: A Qualified Leg is an Enrollee who attains a designated Rank within a Frontline Organisation of his Enroller. For purposes of an Enroller’s Rank qualification, each Qualified Leg must be within a separate Frontline Organisation of the Enroller.

Qualified LRP Orders. A Qualified LRP Order is a single LRP order over 100 PV in the qualifying month for a sponsored Wellness Advocate or Wholesale Customer. All Qualified LRP Orders must be paid for by credit card or check in the name of the Wellness Advocate or Wholesale Customer 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 Wellness Advocates, retail customers and Wholesale Customers who are organisationally on the first level of the Placement Sponsor’s Organisation.

Team Volume (TV): The combined Personal Volume of the members of a Team. A term used in the Power of Three Bonus.

B. **Bonuses.** Compensation to Wellness Advocates is geared toward rewarding the sustained efforts of everyone from the beginning Wellness Advocate to the seasoned professional Wellness Advocate. dōTERRA’s bonuses include the Retail Profit Bonus, Fast Start Bonus, Power of Three Bonus, Uni-level Bonus, Infinity Performance Pools, Diamond Pools, and 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 Wellness Advocate’s or Wholesale Customer’s account. The bonus is paid to the new Wellness Advocate’s first, second, and third

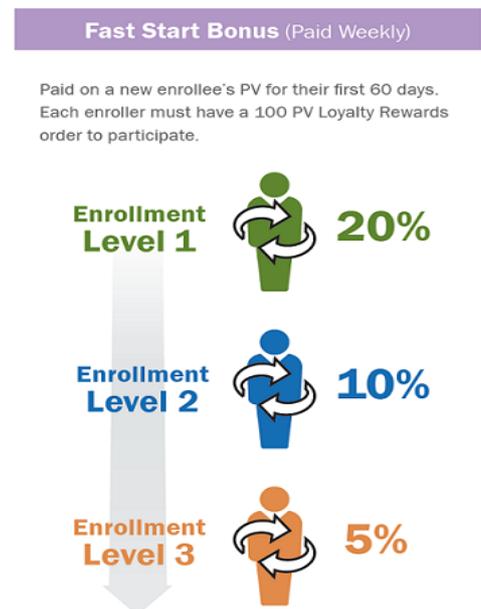


Figure 1

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.

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, a Wellness Advocate must make a Qualified LRP Order. The Wellness Advocate must also have three personally sponsored Wellness Advocates or Wholesale Customers 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, a Wellness Advocate must first qualify for the \$50 Bonus. The three personally sponsored Wellness Advocates or Wholesale Customers 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, a Wellness Advocate must first qualify for the \$250 Bonus. The three personally sponsored Wellness Advocates or Wholesale Customers who assisted him to qualify for the \$250 Bonus must also qualify for the \$250 Bonus. See, Figure 2.

Additional Power of Three Structures. Wellness Advocates can have multiple Power of Three structures. When a Wellness Advocate completes a \$1,500 Power of Three structure, the Wellness Advocate can qualify to be paid on an additional structure. The personally sponsored Wellness Advocates and Wholesale Customers and volume counted in the first bonus structure cannot be used to qualify a Sponsor for additional bonus structures.

3. **Uni-level Bonus – an Organisational bonus.**

Overview. The Uni-level Bonus is paid to Wellness Advocates each month. The Uni-level Bonus is based on the monthly volume of the Organisation of the Wellness Advocate. A particular month's Uni-level Bonus is dependent upon the monthly Rank for which the Wellness Advocate has qualified and the monthly Organisational

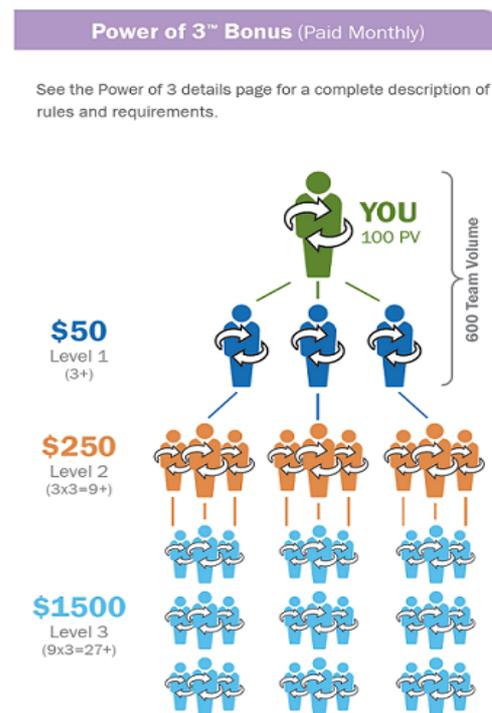


Figure 2

Volume of the Wellness Advocate. The Rank and Organisational Volume requirements must be met each month. By compression, essentially all uni-level is paid to Wellness Advocates. Purchases on which Fast Start Bonuses are paid do not get included in the Uni-level volume. See, Figure 3.

Unilevel Organizational Bonus (paid monthly on compressed organizational volume)												
Paid as Title	Consultant	Manager	Director	Executive	Elite	Premier	Silver	Gold	Platinum	Diamond	Blue Diamond	Presidential Diamond
Monthly PV	50	100	100	100	100	100	100	100	100	100	100	100
Monthly OV	*	500	1,000	2,000	3,000	5,000	*	*	*	*	*	*
Qualified Legs*	*	*	*	*	*	2	3	3	3	4	5	6
Leg Requirements	*	*	*	*	*	Executive	Elite	Premier	Silver	Silver	Gold	Platinum
Level 1	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Level 2		3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Level 3			5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 4				5%	5%	5%	5%	5%	5%	5%	5%	5%
Level 5					6%	6%	6%	6%	6%	6%	6%	6%
Level 6						6%	6%	6%	6%	6%	6%	6%
Level 7							7%	7%	7%	7%	7%	7%
Dynamic Compression												

*Legs must be personally enrolled. † Must be first-time qualifiers, unlimited shares. See company policies for details.

Figure 3

Achieving Ranks. Each Rank has minimum monthly requirements of Personal Volume and Organisational Volume. For instance, the Manager Rank requires 100 PV and 500 OV. All other Ranks require a minimum 100 PV purchase.

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

The percentage of OV that is paid to a Wellness Advocate also changes from level to level. As delineated in Figure 3, the first level pays two percent (2%), and three percent, 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 Wellness Advocate must have Qualified Legs on the Wellness Advocate’s Frontline Organisation. See, Figure 3. For example, a Wellness Advocate 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 Wellness Advocate 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 Wellness Advocates through Compression. When a Wellness Advocate’s Rank does not qualify the Wellness Advocate to receive a bonus of a level associated with higher

Ranks, the bonus will roll up and be paid to higher ranked Wellness Advocates who do qualify for the bonus on the higher level.

Presidential Diamond Multiplier Account. Presidential Diamonds are permitted to establish an additional account directly under their main Presidential account (“PD1”) called their Multiplier 1 (“M1”) account. Presidential Diamonds who have six 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 Premier Ranks and above. The Infinity Performance Pools collectively represent four percent of the Company Volume—the Empowerment Pool (1%), the Leadership Performance Pool (2%), and the Diamond Performance Pool (1%). See, Figure 4. A Wellness Advocate qualifies to be paid from these pools when the Wellness Advocate meets the Rank requirements in a particular month. A share’s monthly bonus is equal to the designated pool’s percentage (1% or 2%), multiplied by the Company Volume for the same month, and divided by the number of shares of Wellness Advocates who have qualified for a share or shares in the month.

4% Infinity Performance Pools (paid monthly on total company volume)

# of shares	Empowerment Pool		Leadership Performance Pool			Diamond Performance Pool		
	Premier	Silver	Silver	Gold	Platinum	Diamond	Blue Diamond	Presidential Diamond
	1	1	1	5	10	1	2	3
	1%		2%			1%		
	Empowerment Pool is limited to one share per qualifying Premier and Silver.		Leadership Performance Pool may earn additional shares with each new personally enrolled Elite.†			Diamond Performance Pool may earn additional shares with each new personally enrolled Premier.†		

*Legs must be personally enrolled. † Must be first-time qualifiers, unlimited shares in Leadership Performance Pool and Diamond Performance Pool. See Company Policy Manual for details.

Figure 4

Shares in the Empowerment Pool. A Wellness Advocate that qualifies as a Premier or Silver and that enrolls one new Wellness Advocate or Wholesale Customer with 100 PV or more in a month, will receive one share in the Empowerment Pool. 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 Wellness Advocates who have qualified for a share in the month.

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. A Wellness Advocate can earn an additional share for the month if the Wellness Advocate is the Enroller of a first-time Elite. Shares do not cumulate from one Rank to the next. For example, a Wellness Advocate who moves from Silver to Gold is entitled to five shares, and not one share from the Silver pool and five from the Gold pool. A share’s monthly bonus is equal to the designated pool’s percentage (2%) multiplied by the Company Volume for the same month, and divided by the number of shares of Wellness Advocates who have qualified for a share in the month.

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. A Wellness Advocate can earn additional shares, for the month, if the Wellness Advocate is the Enroller of a first-time Premier. Again, shares do not cumulate from one Rank to the next. A share’s monthly bonus is equal to the designated pool’s percentage (1%), multiplied by the Company Volume for the same month, and divided by the number of shares of Wellness Advocates 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 Wellness Advocates 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
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‡	3	3	3
# of shares	+1	+1	+1
	1%	1%	1%

*Legs must be personally enrolled. † Must be first-time qualifiers, unlimited shares. See company policies for details.

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 Wellness Advocate receives three shares in the pool of the Wellness Advocate’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 Wellness Advocate first attains the Silver Rank and the Wellness Advocate 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 Wellness Advocate first attains the Premier Rank and the Wellness Advocate was personally enrolled by the Diamond or Blue Diamond.

6. **Founders - a bonus based on market development**

Overview. As an incentive to Wellness Advocates who do business in new Local Markets, dōTERRA offers a Founders Bonus based on market development. The Founders Bonus is paid yearly. A Founder is one of a predetermined number of Wellness Advocates in a Local Market who is one of the first to achieve and continue to maintain certain requirements established by the Company for that market. A Founder will share with other Founders a bonus based on a certain percentage of the Local Market Volume.

Qualification. Each market’s qualifications will be posted in the Local Market specific section of at dōTERRA.com. Each qualification period will be twelve months unless otherwise indicated. Once a Wellness Advocate reaches the position of Founder, each year he must qualify to maintain the position by reaching the pre-determined qualifications for that twelve-month period. The Company will post notice of changed qualifications prior to the beginning of the next qualifying period.

In the event a Founder fails to re-qualify or otherwise loses the Founder position, the position is no longer available to the Founder or to another Wellness Advocate and ceases to exist. The percentage of interest will not change if the actual number of qualified Founders changes. Founder positions are unique to the Wellness Advocate who initially qualified. The position cannot be conveyed, transferred, gifted or sold to another Wellness Advocate or Person and does not extend beyond the death of the individual Founder. Not every market will be offered Founders positions.

7. **The Loyalty Rewards Program**

Overview. Wellness Advocates and Wholesale Customers can ensure to receive monthly deliveries of dōTERRA products by enrolling in the Loyalty Rewards Program

(LRP) after the first month of enrollment. LRP eliminates the inconvenience of placing monthly orders manually.

Earning Product Credits. If the Wellness Advocate's or Wholesale Customer's LRP Order is at least 50 PV every month, the Wellness Advocate or Wholesale Customer is eligible to receive Product Credits each month.

Redemption of Product Credits. After the Wellness Advocate or Wholesale Customer has been an LRP participant for 60 days, he may 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 fee, for each 100 Product Credit redemption, by calling NZ South Island- (+64) 32 88 00 11 | NZ North Island - (+64) 98 01 51 37. 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. A primary LRP order may only be cancelled by calling the Company. Any subsequent LRP order can be cancelled online.

Acting on Behalf of Another. A Wellness Advocate may not set up an LRP order on behalf of another participating Wellness Advocate, or Wholesale Customer, without written permission from the participating Wellness Advocate or Wholesale Customer, which written permission must be on file with the Company prior to setting up the order. Such an order must be paid for by the participating Wellness Advocate or Wholesale Customer 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 Wellness Advocates and Customers. The products offered in this way may or may not have any PV and may not qualify a Wellness Advocate for bonuses resulting from the purchase of these products. The details of each of these offerings will be made available at dōTERRA.com.

9. **General and Miscellaneous Compensation Provisions**

No Compensation Solely for Enrolling Another. While Wellness Advocates are paid for product sales, a Wellness Advocate receives no compensation for enrolling or sponsoring other Wellness Advocates.

No Guaranteed Compensation. As with any other sales opportunity, the compensation earned by Wellness Advocates varies significantly. The cost to become a Wellness Advocate is very low. People become Wellness Advocates for various reasons. Most who wish to simply to enjoy the Company's products at wholesale prices will sign up as a Wholesale Customer, but may also sign up as a Wellness Advocate. Some join the business to improve their skills or to experience the management of their own business. Others become Wellness Advocates, but for various reasons, never purchase products from the Company. Consequently, many Wellness Advocates never qualify to receive bonuses. Wellness Advocates are neither guaranteed a specific income nor assured any level of profit or success. The profit and success of a Wellness Advocate can come only through the successful sale of products and the sales of other Wellness Advocates within the Organisation of the

Wellness Advocate. All success is based primarily on the efforts of each Wellness Advocate.

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

Inclusion in a Period's Bonus. A Person must become an approved Wellness Advocate 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. Wellness Advocates can receive a bonus only if they fulfill all requirements of the dōTERRA Sales Compensation Plan and are not in default of any material obligations under the Contract.

Payment of Bonus. A bonus is paid to the primary applicant on the Wellness Advocate Agreement Form.

Concentrated Legs. In the event the volume from one leg of a Wellness Advocate's Organisation exceeds eighty percent (80%) of the Wellness Advocate's total Organisation volume, the total Primary Bonus of the Wellness Advocate shall not exceed \$5,000.00 if the Wellness Advocate holds the Rank of Elite; \$9,000.00 if the Wellness Advocate holds a Rank of Premier; \$13,000.00 if the Wellness Advocate holds a Rank of Silver; and \$18,000.00 if the Wellness Advocate 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 Wellness Advocate 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. Wellness Advocate 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 Wellness Advocates 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 Wellness Advocate misconduct, including but not limited to, unauthorised or misleading representations regarding an offer or sale of any product or service, or a dōTERRA 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, in its sole discretion, may require direct payment from an affected Wellness Advocate or offset the amount of the recoupment against any present or future bonuses.

Returned Bonus Check Fees. Occasionally, a Wellness Advocate 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 Wellness Advocate must pay to the Company the stop payment fee.

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

- A. **dōTERRA Intellectual Property.** dōTERRA Intellectual Property, including its trademarks, service marks, trade names, trade dress, and the content of its publications, are valuable assets. By using dōTERRA Intellectual Property, Wellness Advocates agree and acknowledge that there exists great value and 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, Wellness Advocates also acknowledge that the intellectual property has a secondary meaning in the mind of the public. Intellectual property is protected by federal, state and international copyright and trademark laws and other proprietary rights. These rights are protected in all forms, including media and technologies existing now or hereinafter developed.

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

B. **Definitions.**

1. **Apparel:** Apparel includes T-shirts, hats, and other clothing articles.
2. **Allowed Content:** Allowed Content means only the Content consisting of the Brochure, Flyers, Images, Presentations, and Videos which is quoted or published in the dōTERRA Tools Section of <http://doterra.com/US/en/>, and that is related to the Local Market in which a Wellness Advocate markets products or recruits other Wellness Advocates.
3. **Cinematic Media:** Live or recorded electronic channels through which news, entertainment, education, data, or promotional messages are disseminated, including broadcasting and narrowcasting mediums such as TV, radio, film, and audio or video. Cinematic Media does not include Computer and Telephone Based Media.
4. **Company Approved Sales Aids:** Marketing materials approved for use in a specific Local Market designated in writing by the Company.
5. **Company Produced Sales Aids:** Company Produced 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 or display of any Content by e-mail, static websites, or Social Media; and telephone or smart phone based transmissions or display.
 7. **Content:** Content means any text, graphics, logos, audio clips, video, photographs, software, or dōTERRA Intellectual Property which is found in the Company Produced Sales Aid(s) or, <http://doterra.com/US/en/>.
 8. **dōTERRA Intellectual Property:** dōTERRA Intellectual Property means all intellectual property which dōTERRA Holdings, LLC or an affiliated company claims to own, or claims a right to use, including but not limited to trademarks, trade names, service marks, and content of its publications, whether registered with relevant governmental authorities or not
 9. **Media Specific Guidelines:** Media Specific Guidelines are Local Market specific guidelines which set usage standards of Allowed Content for a particular format. Media Specific Guidelines must be adhered to and are posted on <http://doterra.com/US/en/>.
 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. Merchandise includes Sales Aid intended to be sold or sold to third parties.
 11. **Sales Aid:** Any material, whether physically printed or in digital form, used in the offer or sale of Company products, recruitment of prospective Wellness Advocates, or training of Wellness Advocates, which makes reference to the Company, the Company products, the Sales Compensation Plan, or dōTERRA Intellectual Property.
 12. **Social Media:** The use of web-based and mobile technologies to turn communication into an interactive dialogue.
- C. **Allowed Uses.**
1. Subject to the Conditions of Use, Wellness Advocates are permitted to use Allowed Content in the following instances:
 - a. The creation and use of Sales Aids.
 - b. The creation and use of a Computer or Telephone Based Media.
 2. Subject to the Conditions of Use, Wellness Advocates are permitted to use Allowed Content, with written approval from the Company, in the following instances: Apparel, Cinematic Media, use on buildings and signs, Merchandise, and paid advertising online.
- D. **Conditions of Use.** The Allowed Uses of Allowed Content are conditioned on the following:
1. **Media Specific Guidelines.** Allowed Content may only be used for Apparel, Cinematic Media, on buildings and signs, and Merchandise according to the Media Specific Guidelines found at of <http://doterra.com/US/en/> for the specific Local Market in which the Wellness Advocate is doing business.
 2. **Context and True Statements.** Wellness Advocates may not use Allowed Content in violation of the Policy Manual or out of context, or infer meaning other than the express meaning of the Allowed Content, by the use of modifiers, additional text, or other content. All content must be true and accurate.
 3. **Claims and Representation Concerning dōTERRA Products.** Wellness Advocates may not use, and dōTERRA does not support the use of any content that

violates federal, state, or local laws, including those laws promulgated by New Zealand regulatory bodies. Please review the Approved Claims List at <http://www.doterraeveryday.com.au/new-zealand-tools/> for additional guidance.

4. **Variations, Takeoffs or Abbreviations.** Wellness Advocates may not use a variation of the Allowed Content for any purpose, including phonetic equivalents, foreign language equivalents, takeoffs, or abbreviations. The following examples are unacceptable variations: “do’TERRA” or “doughTERRA” or deTIERRA”
5. **Slogans and Taglines.** Wellness Advocates may not add to, subtract from, or modify in any way Company slogans or taglines. For example: Changing “Gift of the Earth” to “Gift from the Earth” or “Earthly Gifts”
6. **Disparaging or Offensive Use.** Wellness Advocates may not use Allowed Content in a disparaging, offensive, or injurious manner.
7. **Best Light.** All Allowed Content must be shown only in the best light, in a manner or context that reflects favorably on the Company and its products.
8. **Endorsement or Sponsorship of a Third Party.** Wellness Advocates may not use Allowed Content in a manner that would imply the Company’s affiliation with or endorsement, sponsorship, or support of any third party product or service, or any political cause or issue.
9. **Use in Computer or Telephone Based Media.** The following sections apply to Computer and Telephone Based Media.
 - a. **Headers and Titles.** Except for in a dōTERRA Replicated Website or a dōTERRA approved Certified Websites, the name “dōTERRA” may not be used, in any title, subtitle, or header to Computer or Telephone Based Media. dōTERRA branded Facebook pages, Instagram pages, Pinterest pins, blogs, or YouTube channels are not permitted.
 - b. **Websites.** All dōTERRA Wellness Advocates wishing to have a static online dōTERRA presence may only use a dōTERRA approved Replicated Website or Certified Website and must comply with Company minimum advertised price (MAP) policy. To set up your own dōTERRA Replicated Website, login to www.mydoterra.com and click on the “My Website” tab, then follow the instructions to customize your site. A separate licensing agreement will be needed to obtain a Certified Website. To apply for a dōTERRA approved Certified Website please go to, <http://doterracertifiedsite.com/registration> and submit the requisite information. Once you have applied for a dōTERRA Certified Website your site will be considered for approval. No Certified Website will be permitted without express written approval from the Company, which consent shall be within the sole discretion of the Company. Wellness Advocates may not have any other independent website using or showing dōTERRA trademarks or trade dress (dōTERRA name, pictures or logos, dōTERRA product names or pictures, etc.). The only Internet sites that may be linked to an official dōTERRA company website is the dōTERRA Replicated Websites. No other websites may be linked to any website mentioning dōTERRA or dōTERRA products or executives.
 - c. **Social Media.** Wellness Advocates with a Social Media presence, either personal or business, should review the static content regularly and scrub it to delete any claims in the comment or third party sections that are not legal. dōTERRA branded Facebook pages, Instagram pages, Pinterest pins, blogs, or

YouTube or Vimeo channels are not permitted.

- d. **Disclaimer.** Except for the dōTERRA Replicated Website, each Computer or Telephone Based Media shall clearly indicate that it is not authored by dōTERRA, or any of its affiliated companies, and that the owner of the site bears all responsibility for the content.
 - e. **Domain Names.** Wellness Advocates may not use dōTERRA Intellectual Property name(s) in a domain name without express written approval from the Company, which consent shall be within the sole discretion of the Company. Such use must also be through a written use agreement signed with the Company. Examples of use that are not acceptable: “dōTERRA.com” “dōTERRAcompany.com” “dōTERRAcorporate.com,” etc. Wellness Advocates should consult the Media Specific Guidelines of their Local Market.
 - f. **Privacy Policy Language.** Wellness Advocates must implement a written privacy policy that protects any information gathered from the website from being sold or used by anyone else.
 - g. **Spam Prohibition.** Wellness Advocates may not Spam. Spamming includes, but is not necessarily limited to: (1) sending unsolicited email messages that contain any email or web addresses from a Wellness Advocate’s account to online users; (2) posting message that contain the Wellness Advocate’s service address in new groups that are unrelated to the Wellness Advocate’s products; (3) creating false “from sources” in an email message, or newsgroup posting with the Wellness Advocate’s service address, thereby giving the impression that the message originated from the Company or its network of Wellness Advocates; (4) sending unsolicited emails or faxes to lists of people that are not within the Wellness Advocate’s Organization or with whom the Wellness Advocate has not had a prior business or personal relationship. All Company related email broadcasts must only be sent to Wellness Advocates in the Organization of the Wellness Advocate. Emails must not contain any false representations, income claims, or testimonials.
10. **Proper Use of Trademarks.** Wellness Advocates must properly use Allowed Content containing dōTERRA Intellectual Property, as follows: Trademarks are adjectives used to modify nouns; the noun is the generic name of a product or service. As adjectives, trademarks may not be used in the plural or possessive form. Correct: “You should buy two Zendocrine bottles.” Not Correct: “You should buy two Zendocrines.”
 11. **Use of Allowed Content Within the United States.** On communications that will be distributed only in the United States, Wellness Advocates must use the appropriate trademark or copyright symbol (TM, SM, ®, ©) the first time dōTERRA Intellectual Property appears.
 - a. Wellness Advocates 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. Wellness Advocates must include an attribution of dōTERRA’s ownership of its Allowed Content within the credit notice section of a Wellness Advocate’s Sales Aid, personal website, or social media. The following are the correct U.S. formats for trademarks:

_____ is a registered trademark of dōTERRA Holdings, LLC

_____ is a trademark of dōTERRA Holdings, LLC

12. **Use of Allowed Content Outside the United States:**

- a. Wellness Advocates 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.** Wellness Advocates agree that all Allowed Content is owned exclusively by dōTERRA Holdings, LLC, or licensed to dōTERRA Holdings, LLC. Except for the limited rights granted by the Contract for the term of the Contract, Wellness Advocates acknowledge that the Company hereby retains all legal title to and beneficial ownership of and all rights to the intellectual property and all intellectual property rights related thereto for all purposes. Wellness Advocates agree to assist the Company to protect the Company's rights in the intellectual property at the Company's request
2. **Agreement to Protect.** Wellness Advocates agree to assist the Company to the extent necessary in the procurement of any protection or to protect any of the Company's rights to the Allowed Content.
3. **Assignments.** Wellness Advocates agree that nothing contained in the Contract shall be construed as an assignment or grant to the Wellness Advocate of any right, title or interest in or to the Content or Allowed Content, it being understood that all rights relating thereto are reserved by the Company, except for the right to use the Allowed Content as expressly provided in the Contract. Wellness Advocates agree that at the termination or expiration of the Contract, Wellness Advocates will be deemed to have assigned, transferred and conveyed to the Company any trade rights, equities, good will, titles or other rights in and to dōTERRA Intellectual Property which may have been obtained by Wellness Advocates or which may have vested in Wellness Advocates in pursuance of any endeavors covered hereby, and that Wellness Advocates will execute any instruments requested by the Company to accomplish or confirm the foregoing. Any such assignment, transfer or conveyance shall be without other consideration other than the mutual covenants and considerations of the Contract.
4. **Termination.**
 - a. Wellness Advocates may not terminate the rights granted to the Company in this Section 12.
 - b. A Wellness Advocate's rights granted in this Section 12 may be terminated by the Company upon immediate notice without the opportunity to cure should the Wellness Advocate do any of the following:
 - i. File a petition in bankruptcy or a petition to take advantage of any insolvency act;
 - ii. Commit any act of dishonesty;
 - iii. Fail or refuse to perform any other obligation created by this

- Contract or any other agreement between the Wellness Advocate and the Company or its affiliates;
- iv. 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
 - v. Be convicted of a felony or any other criminal misconduct which is relevant to the Contract.
- b. In the event of termination of this license for any reason, Wellness Advocates shall immediately cease all use of the Allowed Content and shall not thereafter use any intellectual property, mark, or trade name similar thereto. Termination of the license under the provisions of this Section 12 shall be without prejudice to any rights which the Company may otherwise have against the Wellness Advocate.
5. **Rights are Personal.** The rights and duties under this section are personal to the Wellness Advocate and the Wellness Advocate shall not, without the written consent of the Company, which consent shall be granted or denied in the sole and absolute discretion of the Company, be assigned, mortgaged, sublicensed or otherwise encumbered by the Wellness Advocate or by operation of law.
6. **Remedies.** Each Wellness Advocate acknowledges and agrees that compliance with the terms of this Section 12 is necessary to protect the goodwill and other proprietary interests of the Company. Accordingly, Wellness Advocates agree that in the event of any breach of this Section 12
- a. The Company shall be entitled to injunctive relief and/or specific performance;
 - b. The Wellness Advocate shall not oppose such relief on the grounds that there is an adequate remedy at law; and
 - c. Wellness Advocates further stipulate and agree that any violation of this rule will inflict immediate and irreparable harm on the Company, that the harm to the Company exceeds any benefit that the Wellness Advocate may derive, and that the Company shall be entitled, in addition to any other remedies that may be available, to immediate, temporary, preliminary and permanent injunctive relief without bond, and that such injunctive relief may extend the post-termination period of this restriction for up to one (1) year from the date of the last violation of this provision. The provisions of this Section survive the termination of the Contract. Nothing herein waives any other rights and remedies the Company may have in relation to the use of its Confidential Information or any other violations of the Contract.

F. Additional Advertising Provisions

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

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

Section 13. Retail Store, Service Establishment Sales and Trade Show Policy

- A. **Retail Store Policy.** With written approval from the Company, a Wellness Advocate (WA) may sell products and/or promote the dōTERRA 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 regional or national chains. WAs may not sell products through online auctions or mall sites, such as TradeMe, eBay or Amazon, without written permission from the Company.
- 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.
 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 a 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, organising 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. A WA may not import or facilitate the importation of, sale, gift, or distribution of, Company products, services, or product samples.
 2. A 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 authorised for distribution in unopened Local Markets.
 3. A 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 authorisation to work in the Open Local Market. It is the Enrolling Sponsor's responsibility to ensure compliance with residency and work authorisation 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 authorisation to work requirements. If a WA fails to provide verification of residency and work authorization when requested by the Company, the Company may, at its election, declare a WAA void from its inception.
 4. A 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. A 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. **No Exclusive Local Markets or Franchises.** There are no exclusive Local Markets or franchises. A WA has the right to operate anywhere in the WA's country of residence.
- D. **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 he/she plans to conduct those activities is not a prohibited Local Market. A WA may obtain a list of prohibited Local Markets by calling the Company.
- E. **Violation of International Policy.** In addition to other remedies allowed by the Contract, a 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 Organisation 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.

A WA who has been unable to participate in a market because of non-compliance with this provision of the Policy Manual must petition the Company in writing for written permission to participate in the market after the period of prohibition has passed.
- F. **No Waiver of Other Rights.** The provisions of this section do not waive the Company's rights as set forth elsewhere in the Contract.

Section 15. Payment of Taxes

- A. The WA shall be responsible for all income tax liabilities, accident compensation levies and similar payments in respect of payments received under this Contract and the WA indemnifies the Company in respect of any claims that may be made by the relevant authorities against the Company in respect of those liabilities, levies and similar payments (including interest and penalties and associated costs and expenses).

Section 16. Product Liability Claims

- A. **Company Defence 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 to the extent required by law. WAs must immediately notify the Company in writing of any such claim, no later than one (1) day from the date of the third party claimant's letter or other form of communication 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 defence 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 the WA.** The Company shall have no obligation to indemnify a WA under this Section to the extent that the liability arises as a result of an act or omission of the WA including 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. Authorised Use of Wellness Advocate's Information.

- A. **WA Lists.** Lists of 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 Lists 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 Organisation.
- 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 Organisation for furtherance of 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 WWA'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 authorised 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 agrees that injunctive is an appropriate remedy enjoining that use under applicable national or local laws, and will immediately retrieve and return to the Company all Lists previously provided to the Recipient upon the Company's request, and that the obligations under this section will survive the termination of the Recipient's Contract.
- F. Company Remedies for Violation. The Company reserves the right to pursue all appropriate remedies under applicable federal or local laws to protect its rights to the above-stated proprietary and trade secret information covered by the Lists. Any failure to pursue any applicable remedies will not constitute a waiver of those rights.

Section 18. Disciplinary Actions.

- A. Rights Conditioned Upon Performance. A WA's rights under the Contract are conditional upon and subject to the WA's continued performance in accordance with the terms of the Contract. Upon failure by a WA to perform his or her obligations as set forth in the Contract, the WA's rights cease. The Company may excuse a WA's non-performance in whole or in part without waiving its rights and remedies under the Contract.
- B. Possible Disciplinary Actions. Without limiting its right to terminate this Contract as set out in the WAA, if a WA breaches 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, including:
1. Notifying the WA of the breach and provide an opportunity to remedy the same;
 2. Closely monitoring the conduct of the WA over a specified period of time to ensure service levels and conduct in accordance with this Contract are maintained;
 3. Requiring 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. Denying or suspending 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. Discontinuing or limiting payment of Bonuses from all or any part of the sales of the WA or the Wellness Advocate's Organisation;
 6. Reassigning all or part of the Wellness Advocate's Organisation;
 7. Adjusting the WA's status;
 8. Suspending the WA, which may result in termination or reinstatement with conditions or restrictions;

9. Terminating this Contract; and
 10. Seeking injunctive relief or other remedies available by law.
- B. 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 a WA and the Company is as an independent contractor under this Contract. Accordingly, the Company will neither honor nor respect any claim by a 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 authorised 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 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 Section 21.C herein will be provided upon request from the Company.
- C. Request for Termination. A 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 a 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 a WA with dōTERRA. Activity includes but is not limited to purchasing product, recruiting other WAs, or earning commissions. 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 15 and elsewhere in the Contract.
- D. 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 "rollup" 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.
- E. 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.

- F. Co-applicant Binds Distributorship. The act of any participant or co-applicant in a Distributorship, or spouse or partner of a WA, is attributable to the Distributorship and co-applicants are liable for the actions of a WA or Distributorship on a joint and several basis. Any remedies, including termination of the Contract, necessitated by that act may be applied to the Distributorship generally.
- G. Action Against a WA. The Company may take action against a Wellness Advocate as outlined in this Section 16 of the Policy Manual and elsewhere in the Contract if the Company determines, in its sole discretion, that the WWA'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 19. 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). WA's 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 WA's, as an effective and binding provision. By continuing to act as a WA, or engaging in any Distributorship activity, including purchasing products, recruiting other WA's, or earning commissions, after the amendments or modifications have become effective, a WA acknowledges acceptance of the new Contract and/or Sales Compensation Plan terms.
- B. WA's Bound by Amendments. WA's 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 a WA's ongoing acceptance of the Contract and any amendments, and the agreement to be bound by the Contract.

Section 20. 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 permitted successors and assigns.
- B. Transfer of a Distributorship Position. Except as otherwise noted in this Policy Manual a WA may dispose of, sell, transfer, or otherwise assign his or her Distributorship and rights under this Contract only with the prior written consent of the Company. Any assets that take the form of claims to compensation or satisfaction of contractual obligations, from or by the Company, will not be recognised 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 organisationally. Further, unless expressly agreed to in writing by the Company, the Accounts Receivable balance, personal volume, LRP points, and enrolment date shall be retained by the former Distributorship.
 - 2. For purposes of signing up again as a WA, a gift, sale, transfer or assignment is

treated as a termination with respect to the transferor. In other words, a 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. A 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. A 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 a WA (being an individual) dies or becomes incapacitated, this Contract will terminate
 - D. Co-applicants. Distributorships run by more than one person (ie, where the WAs are co-applicants) must continue to be operated by both co-applicants. The Company shall be entitled to terminate this Contract in the event that the Company believes (in its sole discretion) that co-applicants are failing to work co-operatively.
 - E. Under no circumstances will a Distributorship be divided. Similarly, under no circumstances will the Company split Bonus cheques between co-applicants or WAs. The Company will recognise only one Distributorship and will issue only one bonus cheque per Distributorship per commission cycle. Cheques shall always be issued to the same individual or entity.
- Waiting Period to Sign Up Again. If a former WA has completely relinquished all rights in their original Distributorship, they are thereafter free to enrol under any sponsor of their choosing, so long as they meet the waiting period requirements set forth in Section 18.B.2. In such case, however, the former WA shall have no rights to any WA's in their former organisation or to any former customers or PMs. They must develop the new business in the same manner, as would any other new WA.

Section 21. 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.

Likewise, the waiver by the Wellness Advocate of a 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.

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.** In the event of any dispute, claim, question, or disagreement arising from or relating to the Contract or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of 60 days, then, upon notice by either party to the other, all disputes, claims, questions, or differences shall be finally settled by arbitration administered in Auckland, New Zealand, and there shall be no right or authority for any dispute, claim, question or disagreement to be arbitrated on a class action basis. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. This agreement to arbitrate shall survive any termination or expiration of the Contract.

Notwithstanding this dispute resolution provision, nothing herein shall prevent dōTERRA from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary restraining order, preliminary injunction, permanent injunction, or other relief available to safeguard and protect dōTERRA's interest prior to, during, or following any mediation or other proceeding.

- D. **Litigation and Claims.** In order to protect dōTERRA, its assets, and its reputation from claims or disputes created by outside (non- Wellness Advocate) third parties, the Company requires that if any Wellness Advocate is charged with any infringement of any proprietary right of any outside third party (who is not a Wellness Advocate) arising from any of the Company's proprietary assets, or if the Wellness Advocate becomes the subject of any claim or suit related to that Wellness Advocate's business-related conduct or any other action that directly or indirectly negatively affects or puts the Company, its reputation, or any of its tangible or intangible assets at risk, the affected Wellness Advocate shall immediately notify the Company. The Company may, at its own expense and upon reasonable notice, take whatever action it deems necessary (including, but not limited to, controlling any litigation or settlement discussion related thereto) to protect itself, its reputation, and its tangible and intangible property. The Wellness Advocate shall take no action related to that claim and suit, unless the Company consents, which consent shall not unreasonably be withheld.
- E. **Governing Law/Jurisdiction.** This Agreement shall be governed by the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the New Zealand courts. I agree that, to the extent permitted by law, any claim or action a Wellness Advocate may wish to bring against dōTERRA for any act or omission relating to the Contract must be brought within one (1) year from the date of the alleged act or omission giving rise to the claim or cause of action. Failure to bring such action within the permitted time shall act as a bar against all claims against dōTERRA for such act or omission. The Wellness Advocate waives any and all claims or rights to have any other statute of limitation apply.
- 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 (other than a payment obligation).

- 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, three 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.
- J. **Confidential Information:** At all times WAs shall preserve the confidentiality of all information provided to them by doTERRA or otherwise obtained by a WA regarding doTERRA or doTERRA products in the course of being a Wellness Advocate ("Confidential Information") and shall not through any failure to exercise all due care and diligence or otherwise by any act or omission use, disclose or cause or permit to be disclosed any Confidential Information to any third parties except:
1. To the extent that such disclosure is strictly to enable the WA to perform or comply with any of its obligations under this Contract; or
 2. To the extent that there is an irresistible legal requirement on the WA to do so; or
 3. Where the Confidential Information has come into the public domain otherwise than through a breach of any of the terms of this Contract.