

POLICY MANUAL

dōTERRA®



Policy Manual

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Section 1. Introduction

This dōTERRA® Policy Manual (Policy Manual) has been incorporated into and made part of the Terms and Conditions of the Wellness Advocate Agreement Form or Affiliate Agreement Form. This Policy Manual, the Wellness Advocate Agreement Form or the Affiliate Agreement Form, and the Business Application Addendum constitute the entire agreement (“Contract”) between dōTERRA (“Company”) and the Wellness Advocate or Affiliate. The Contract or any part thereof may be amended by the Company in accordance with the provisions herein. The Affiliate program is a pilot program that may be terminated by Company with or without cause.

Section 2. Becoming a Wellness Advocate, Affiliate or Wholesale Customer

The Company takes great pleasure in teaming up with Wellness Advocates and Affiliates to present and offer our life-changing products and opportunity.

- A. **Signing Up as a Wellness Advocate, Affiliate or Wholesale Customer.** An individual may apply to be a Wellness Advocate, Affiliate or Wholesale Customer by signing up online with dōTERRA, or by completing the requirements as set forth in the applicable Wholesale Customer, Affiliate or Wellness Advocate Agreement form and by paying the \$35.00 application fee. Applicants must be of legal age and Wellness Advocates and Affiliate must provide a valid tax identification number. After an individual obtains an account, an account may be transferred to a Corporation by submitting the Business Application Addendum, located at <https://www.doterra.com/US/en/forms>. The signup of a business entity cannot be done online. Hospitals may not be enrolled without written permission from compliance and legal departments. dōTERRA reserves the right, in its sole discretion, to approve or decline submitted Wellness Advocate or Affiliate’s application or online sign-up.
- B. **Wholesale Customers or Affiliate Who Wish to Become Wellness Advocates.** A Wholesale Customer or Affiliate may upgrade to a Wellness Advocate by upgrading online or submitting a properly completed Wellness Advocate Agreement Form to the Company within 30 days from the date of the Contract.
- C. **Inaccurate Applications.** An incomplete, incorrect, or fraudulent 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 Information.** Wellness Advocates and Affiliates shall promptly update contact information on their account by submitting an Account Information Change Form or updating such information in the back office.
- F. **Term of Contract and Contract Renewal.** The term of the Contract is one year from the date it is submitted to dōTERRA. This Contract may be renewed each year for an additional one-year term. The Company is not obligated to renew this Contract and may, in its sole discretion, reject any application for renewal. Unless the Wellness Advocate or Affiliate notifies the Company of his or her intent not to renew, the Company notifies the Wellness Advocate or Affiliate of its intent not to renew, or unless the Contract is terminated by the Company, the Contract may be renewed each year on its annual anniversary date. The Wellness Advocate and Affiliate agrees to pay an Annual Renewal Fee on or before the anniversary date of acceptance of the application. The Wellness Advocate and Affiliate agrees and authorizes the Company to automatically charge the credit card on file with the Company in the amount of \$25.00 plus tax each year on the anniversary date to renew the Contract with the Company. A Wellness Advocate who does not have a Downline on the renewal date may be renewed as a Wholesale Customer, and

agrees to be subject to the Wholesale Customer Agreement Form. The Company may elect to add the Annual Renewal Fee to the next product order. The Annual Renewal Fee helps the Company provide the Wellness Advocate and Affiliate with the necessary support materials and information on products and services, Company programs, policies and procedures, and related matters. The Annual Renewal Fee also covers the costs of communications from the Company.

- G. **Simultaneous Interests Prohibited.** Neither a Wellness Advocate or Affiliate may have a simultaneous beneficial interest or be a co-applicant in more than one Distributorship, or simultaneously have a beneficial interest in a Wholesale Customer account. A beneficial interest includes, but is not limited to, any ownership interest; any rights to present or future benefits, financial or otherwise; rights to purchase at wholesale prices; recognition; or other tangible or intangible benefits associated with a Distributorship or Wholesale Customer. Unless two Wellness Advocates marry after each owning an account, spouses must be part of the same Distributorship, and cannot have more than one Distributorship between them, or own a beneficial interest in a Wholesale Customer account. A business owner cannot have a Distributorship in the name of the business and a separate Distributorship in the owner's own name, or have a beneficial interest in a Wholesale Customer account, or another business. An exception to this rule is the Presidential Diamond Multiplier Account. See Section 8.B.3.
- H. **Independent Contractor Relationship Between Wellness Advocate and the Company.** A Wellness Advocate and Affiliate are independent contractors and not an employee, agent, partner, legal representative or franchisee of dōTERRA. A Wellness Advocate and Affiliate is not authorized to and will not incur any debt, expense or obligation, or open any checking account on behalf of, for, or in the name of dōTERRA. Wellness Advocates and Affiliates control the manner and means by which they operate their dōTERRA businesses, subject to compliance with the Contract. Wellness Advocates and Affiliates 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 and Affiliates are not treated as employees of the Company for federal or state tax purposes, and acknowledge and agree that the Company is not responsible for withholding and shall not withhold or deduct from bonuses and commissions FICA, or taxes of any kind, unless such withholding becomes legally required. Wellness Advocates and Affiliates are bound by all sales tax collection and remittance agreements between the Company, all appropriate taxing jurisdictions, and all related rules and procedures.
- I. **Company Recognition.** Company may from time to time and at its sole discretion choose to recognize Wellness Advocates at selected events and in various publications including conventions and magazines. Wellness Advocate and Affiliates consent and authorizes such recognition.
- J. **Georgia Residents.** Georgia State law requires that a multilevel distribution company shall make available certain disclosures regarding the company prior to obtaining participants. Attached as Exhibit A to the Policy Manual is your official notice that you have the right to request to see these disclosures prior to entering any agreement with a multilevel distribution company.

Section 3. Purchasing Products

- A. **No Requirement to Purchase Products.** A Person is not required to purchase any product in order to be a Wellness Advocate, Affiliate or Customer.
- B. **Authorization to Resell dōTERRA Products.** Only Wellness Advocates and Affiliates may purchase dōTERRA products for resale.
- C. **Purchasing Product Solely to Qualify for Bonuses is Prohibited.** The dōTERRA opportunity is built on retail sales to the ultimate consumer. The Company encourages Wellness Advocates and Affiliates to only

purchase inventory that the Wellness Advocate, Affiliate and their 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. Wellness Advocates and Affiliates 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 a Wellness Advocate or Affiliate may make if, in its sole judgment, it believes those purchases are being made primarily for qualification purposes instead of for consumption or resale. In addition, the Company reserves the right to recover Bonuses paid if it is discovered by the Company that the Bonuses have been generated on what the Company deems to be sales in violation of the Contract.

- D. **Repackaging Prohibited.** Wellness Advocates and Affiliates may not print their own labels or repackage dōTERRA products. Products are to be sold in their original packaging only. For instance, Wellness Advocates and Affiliates may not resell individual parts of a kit separately from the original kit packaging unless the Company has established a wholesale price for the individual part. Similarly, Wellness Advocates and Affiliates 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 Wellness Advocate and Affiliate is governed by Section 10 of this Policy Manual.
- E. **Credit Card Use.** Wellness Advocates and Affiliates are strongly discouraged from using their own credit cards to purchase products for another Wellness Advocate, Affiliate or Customer. Wellness Advocates and Affiliates are prohibited from using their own credit cards to purchase products for another Wellness Advocate or Affiliate with an account less than 30 days old. Wellness Advocates and Affiliates may not place a product order using another's credit card without the credit card owner's written permission. In those rare circumstances where it is necessary to purchase product for another, the Company must receive written permission from the person for whom the product order is being placed. Failure to produce such permission upon request of the Company may result in cancellation of the sale, forfeiture of Bonuses resulting from the sale, and other disciplinary action as outlined in Section 17.
- F. **Dishonored Check Fees.** Wellness Advocates and Affiliates are responsible to reimburse the Company for the cost of re-depositing checks from Wellness Advocates or Affiliates that are returned to the Company for insufficient funds.
- G. **Will Call Orders.** The Company will have the option of shipping a placed order to a Wellness Advocate, Affiliate, or Customer if an order has not been picked up at Will Call within 20 days of placement of an order. The Company will assess the costs of such shipment to the Wellness Advocate, Affiliate or Customer 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 4. Product Return Policy

A. Returns on Products Within 30 Days.

1. dōTERRA will refund one hundred percent (100%) of the purchase price (plus applicable tax if prepaid) of Currently Marketable products that are returned by a Wellness Advocate, Affiliate or Customer 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 (see, Section 4.D.) that are returned by a Wellness Advocate, Affiliate or Customer 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 Wellness Advocate, Affiliate or Customer, 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 Wellness Advocate, Affiliate or Customer, less shipping costs and paid Bonuses (excludes limited time offers and expired items).
- D. **Currently Marketable.** Products and Sales Aids shall be deemed currently marketable if each of the following elements is satisfied: 1) they are 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 within fifteen (15) days of receipt. Whenever possible, returned products will be replaced with undamaged products. However, when an exchange is not feasible, the Company reserves the right to issue a credit for the amount of the exchanged products.
- F. **Duty to Retain Sales Order Number.** In order for the Company to correctly 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 may determine the acceptable refund alternatives for product returns, including but not limited to the following: dōTERRA Company Credit, Product Credit, bank check, bank transfer, or credit card charge back, and as outlined herein. The actual form of refund will be based upon payment procedures in the Local Market and the original form of payment. Refunds will only be paid to the original payor.
- I. **Return Procedure.** To obtain a refund for returned products or Sales Aids, a Wellness Advocate and Affiliate 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 Wellness Advocate or Affiliate number.
 - 2. The Company will provide the Wellness Advocate or Affiliate with the correct procedures and location for returning the products or Sales Aids. All return shipping costs must be paid for by the Wellness Advocate or Affiliate.

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 Wellness Advocate or Affiliate at their expense.
 4. This return/refund procedure may vary in jurisdictions where different repurchase requirements are imposed by law. Applicable laws may dictate the terms of the refund policy.
 5. The Company may charge a \$13.50 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 Wellness Advocates and Affiliates based on the purchase of Company products by retail customers or by members of their Downline Organization. When products are returned, the Company has the right to recoup the Bonuses that were paid based on the purchase of the products that were returned. The Company may recoup these Bonuses by requiring a Wellness Advocate or Affiliate to pay the Company directly, or the Company may withhold the amount of the Bonus from future Bonus payments.
- K. **Return of Personalized Sales Aids.** Personalized Sales Aids are not returnable or refundable, except for personalized Sales Aids with printing errors. Such sales aids must be returned within thirty days and in conformance with the Product Return Policy.
- L. **Credit Card Charge Backs.** Wellness Advocates and Affiliates are required to return products under the Company's product exchange and return policies rather than doing a credit card chargeback.

Section 5. Retail Sales Obligations and Limitations

- A. **Three-Day Money Back Guarantee.** United States law requires a Wellness Advocate and Affiliate to offer a three (3) day money-back guarantee to his or her retail customers (Alaska residents have five business days; North Dakota residents age 65 or over have 15 business days) at the time of sale. This means that Wellness Advocates and Affiliates should include cancellation instructions with receipts and must, for any reason and upon request, give a full refund of the purchase price to the customer. The customer is required to request the refund within three business days of purchase and return the unused portion of product (Alaska residents have five business days; North Dakota residents age 65 or over have 15 business days). Wellness Advocates and Affiliates must give a refund for returned products within ten days of the customer's request. The Company encourages Wellness Advocates and Affiliates to honor a request for a refund or product exchange even if it is made more than three business days after purchase. The Company supports this policy by providing its generous Product Return Policy found in Section 4.

Montana Residents: A Montana resident may cancel his or her Wellness Advocate or Affiliate Agreement within 15 days from the date of enrollment, and may return his or her starter kit and any products he/she purchased for a full refund with such time period.

- B. **Duty to Maintain Sales Documentation.** Wellness Advocates and Affiliates must maintain documentation, such as receipts, showing sales to customers. Such documentation should include the list of items ordered, date of sale, the amount of the sale, and customer contact information such as name, address and phone number. Wellness Advocate and Affiliates should retain documentation for at least six years.

Section 6. Enrolling or Sponsoring a Wellness Advocate

- A. **Duty to Accept Contractual Responsibilities.** A Wellness Advocate or Affiliate may act as an Enroller or Sponsor after meeting all requirements and accepting all responsibilities described in the Contract.
- B. **Placement.** A Wellness Advocate or Affiliate may refer Persons to the Company as applicants to become Wellness Advocates or Affiliates. Upon acceptance by the Company of the Wellness Advocate Agreement

Form, applicants are placed in the Organization of the Enroller listed on the Wellness Advocate Agreement Form. Affiliates may only place Wellness Advocates and Wholesale Customers on their front line.

- C. **Open Local Markets.** Wellness Advocate and Affiliates are entitled to enroll or sponsor other Wellness Advocates and Affiliates only in Open Local Markets. See, Section 12.
- D. **Becoming a Successful Enroller or Sponsor.** To be a successful Enroller, Sponsor or leader, a Wellness Advocate or Affiliate should perform the following responsibilities:
 - 1. Give regular sales and organizational training, guidance, and encouragement to the Wellness Advocate's or Affiliate's Organization. An Enroller or Sponsor should maintain contact with everyone in his or her Organization and be available to answer questions. If you have high-ranking leaders in your organization, your communication to persons in the high-ranking leader's organization should go through the high-ranking leader.
 - 2. Exercise the Wellness Advocate's or Affiliate's best efforts to ensure that all Wellness Advocates and Affiliates in the Wellness Advocate's or Affiliate's Organization properly understand and comply with the terms and conditions of the Contract and applicable national and local laws, ordinances, and regulations.
 - 3. Intervene in any disputes arising between a customer and any of the Wellness Advocate's or Affiliate's Organization and attempt to resolve the dispute promptly and amicably.
 - 4. Provide training to ensure that product sales and opportunity meetings conducted by the Wellness Advocate's or Affiliate's Organization are conducted in accordance with the Contract and in accordance with any applicable laws, ordinances, and regulations.
 - 5. Promptly resolve any disputes between the Wellness Advocate or Affiliates, other Wellness Advocates, and the Organization of the Wellness Advocate or Affiliate.
 - 6. Respond to communication within a reasonable time period and educate those Wellness Advocates or Affiliates the Wellness Advocate or Affiliate enrolls and sponsors about the Company Policies.
 - 7. Sponsor personal Enrollees in Company sponsored programs, such as Diamond or Silver Club.
 - 8. Wellness Advocates or Affiliates should not leave the assignment of enrollership of a new Wellness Advocate or Affiliate to their upline or some other person.

Section 7. Placement Policy, Line Switching, and Cross Moving Prohibition

- A. **Initial Placement.** At the time when a new Wellness Advocate or Affiliate is enrolled, a Wellness Advocate Enroller may place the new Wellness Advocate or Affiliate anywhere in the Wellness Advocate Enroller's Organization. All of Affiliate's Enrollees are required to be on the Affiliate's frontline.
- B. **Placement Changes After Sign-up.**
 - 1. On or before the 10th day of the calendar month following a new Wellness Advocate or Affiliate's signup with the Company, the Enroller may move the new Wellness Advocate or Affiliate one time anywhere in the Enroller's Organization (i.e. not outside the Enroller's Organization), subject to the Company's approval. All of Affiliate's Enrollees are required to be on the Affiliate's frontline and may not be other Affiliates.
 - 2. After the above-described time period passes, a Wellness Advocate and Affiliate is in final placement and the Company will normally not approve requests to place Wellness Advocates or

Affiliates elsewhere in an Organization.

- a. Further placement changes are rare and must be specifically approved in writing by the Company's Exceptions Committee.
- b. Before authorizing a placement change, the Company will consider, among other factors, the following:
 - i. Whether the Wellness Advocate or Affiliate to be moved has not been Active for at least six months (twelve months if Silver Rank or higher),
 - ii. Whether the Wellness Advocate or Affiliate to be moved obtains written consent (verified by signatures or other means) of the Enrollers who are three levels above the Wellness Advocate or Affiliate and the Sponsors who are seven levels above the Wellness Advocate or Affiliate,
 - iii. Whether the change will cause Rank advancement,
 - iv. Whether a change of historical bonus payments will occur,
 - v. Whether a Wellness Advocate or Affiliate has breached the Contract,
 - vi. The effect of the change on the Organization, and
 - vii. Any other relevant facts.
- c. A Diamond rank or above who personally enrolls a new Wellness Advocate that achieves the rank of Premier within three months will be allowed to place the new Enrollee on their frontline or under any Wellness Advocate between the current Sponsor and the Enroller. This request can be made after the Enroller has filled out the Premier Move form, on or before the 10th day of the calendar month following the new Premier being paid as Premier. This move can be made even if a placement change had previously been made following enrollment. For the purpose of calculating three months in this paragraph, the countdown begins when the new Wellness Advocate is a sponsor of their first Wellness Advocate. If the new Wellness Advocate sponsors their first Wellness Advocate after the 10th of the calendar month, then the first month will be the following calendar month. If the new Wellness Advocate sponsors their first Wellness Advocate before the 10th of the month, the first month will be the calendar month they enroll.

- C. **Enrolling a Former Wholesale Customer or Affiliate as a Wellness Advocate.** A Wellness Advocate may enroll Wholesale Customers or Affiliates as Wellness Advocates and Affiliates may enroll a Wholesale Customers as a Wellness Advocates. When a Wholesale Customer or Affiliate becomes a Wellness Advocate, they cease to be a Wholesale Customer or Affiliate. An Enroller may place a new Wellness Advocate who was a Wholesale Customer in any position in the Enroller's Organization if the new Wellness Advocate has enrollership of at least one Wholesale Customer or Wellness Advocate with sales of at least 100 PV after becoming a Wellness Advocate and does not have an existing Organization. If an Affiliate upgrades, it may restructure its frontline organization with written approval of the Company. If a referring member in the refer-a-friend promotion upgrades to a Wellness Advocate or Affiliate, the Enroller has the option of placing any Refer a Friend Enrollee enrolled within the last sixty (60) days under the new Wellness Advocate or Affiliate. Where Affiliates are not permitted to enroll other Affiliates, Affiliates are not permitted to upgrade members to Affiliates. The placement of the new Wellness

Advocate, Refer a Friend Enrollee, or Affiliate must be completed on or before 10th day of the calendar month following the date the requirements outlined in this paragraph are met.

- D. **Enrollership Reassignment.** The Company allows an Enroller to change enrollership of a Wellness Advocate or Affiliate (Enrollee) once, subject to Company approval. Additional Enrollership changes merited by extenuating circumstances may be applied for and are subject to Company Exceptions Committee approval.
- E. **Cross-Company and Cross-Line Moving Prohibited.**
1. **Cross-Company Recruiting.** The actual or attempted solicitation, enrollment, encouragement, or effort to influence in any way, either directly or indirectly (including but not limited to, through online activity), another Wellness Advocate, Affiliate or Customer to enroll or participate in another network marketing opportunity. This conduct constitutes recruiting by a Wellness Advocate even if the actions of the Wellness Advocate are in response to an inquiry made by another Wellness Advocate, Affiliate or Customer. An Affiliate shall not solicit, enroll, encourage, or influence in any way, either directly or indirectly (including but not limited to, through online activity), a Wellness Advocate, Affiliate or Customer to enroll or participate in another company that markets essential oils.
 2. **Cross-Line Moving.** The actual or attempted solicitation, enrollment, encouragement, or effort to influence in any way, either directly or indirectly (including but not limited to, through online activity), the enrollment of an individual who, or entity that, already has a current Distributorship with dōTERRA, within a different line of sponsorship. Cross-Line Moving also applies to the enrollment of an individual or entity that has had a Distributorship with dōTERRA within the past six months, or in the case of a Wellness Advocate with the rank of silver or higher, within the past twelve months.
 3. **Prohibition.** Wellness Advocates and Affiliates are prohibited from Cross-Company Recruiting or Cross-Line Moving. The use of a spouse or relative's name, trade names, DBAs, assumed names, Corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy is prohibited.
 4. **Injunctive Relief Available to the Company.** Wellness Advocates and Affiliates stipulate and agree that Cross-Company Recruiting and Cross-Line Moving constitute an unreasonable and unwarranted interference with the contractual relationship between the Company and its Distributors, and conversion of the Company's property and misappropriation of the Company's trade secrets. Wellness Advocates and Affiliates 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 or Affiliate may derive, and that the Company shall be entitled, in addition to any other remedies that may be available, to immediate, temporary, preliminary and permanent injunctive relief without bond, and that such injunctive relief may extend the post-termination period of this restriction for up to one (1) year from the date of the last violation of this provision. The provisions of this Section survive the termination of the Contract. Nothing herein waives any other rights and remedies the Company may have in relation to the use of its Confidential Information or any other violations of the Contract. Further, Wellness Advocates and Affiliates agree that appearing in, being referenced in, or allowing their name or likeness to be featured or referenced in any promotional, recruiting or solicitation materials for another direct selling company constitutes Cross-Company Recruiting during a period of one year after termination of the Contract.

Section 8. Sales Compensation Plan

There are two fundamental ways in which a Wellness Advocate can earn bonuses: (1) through retail markups; and (2) through bonuses (sometimes called commissions) paid on a Wellness Advocate's product sales and the sales of other Wellness Advocates in his Organization. An Affiliate may earn bonuses (1) through retail markups; and (2) through bonuses paid on Affiliate's products sales to customers on an Affiliate's frontline. A Wellness Advocate's or Affiliate's success can come only through the systematic sale of Company products and the product sales within his or her Organization.

Retail Markups. Wellness Advocates and Affiliates 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 and Wellness Advocate and Affiliates acknowledge that Company may implement a unilateral minimum advertised price (MAP) policy. However, Wellness Advocates and Affiliates are free to set their own selling price.

Bonuses. Wellness Advocates and Affiliates 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, Affiliate, Retail Customer, or Wholesale Customer.

Company Volume: Company Volume is the total amount of Personal Volume sold to all Wellness Advocates, Affiliate, Wholesale Customers, and Retail Customers.

Frontline Organization: A Frontline Organization is the Organization of one of a Wellness Advocate or Affiliate's personally sponsored Wellness Advocates, Affiliates and his or her Customers.

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

Organizational Volume (OV): The sales volume measured in Personal Volume, of a Wellness Advocate, and of all other Wellness Advocates, Affiliates, Wholesale Customers, and Retail Customers in the Wellness Advocate's Organization.

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

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

Qualified LRP Orders. A Qualified LRP Order is a single LRP order over 100 PV in the qualifying month for a sponsored Wellness Advocate, Affiliate or Wholesale Customer. A LRP order in the initial month of enrollment is not a Qualified LRP Order. All Qualified LRP Orders must be paid for by credit card or check in the name of the Wellness Advocate, Affiliate 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.

Retail Customer: A Retail Customer is a person with a retail account.

Affiliate Bonus: The sum total of all bonuses paid to an Affiliate from Affiliate Fast Start Bonus and Affiliate Sponsor Bonus. The Affiliate Fast Start Bonus is paid weekly, and the Affiliate Sponsor Bonus is paid weekly.

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, Affiliates and Wholesale Customers who are organizationally on the first level of the Placement Sponsor's Organization.

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

- B. **Bonuses.** Compensation is geared toward rewarding the sustained efforts of everyone from the beginning Wellness Advocate or Affiliate to the seasoned professional Wellness Advocate. Bonuses for sales outside your Local Market are subject to each Local Market's compensation plan. Available Wellness Advocate 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. Available Affiliate Bonuses include Affiliate Fast Start Bonus and Affiliate Sponsor Bonus.

1. Fast Start

Overview. A Fast Start Bonus is paid weekly to Enrollers for all Commissionable Orders sold in the first sixty (60) days to a new Wellness Advocate, Affiliate, or Wholesale Customer's account. The Wellness Advocate Fast Start Bonus is paid to the new Wellness Advocate's first, second, and third level Enrollers. Affiliate Fast Start Bonus earns on the first level only. An Enroller of an Refer a Friend Enrollee earns only second and third levels on the initial sale order of a Refer a Friend Enrollee. 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 at least 100 PV for the month, and (2) complete a Qualified LRP Order. Unearned bonuses do not roll up to any other Enroller. The previous week's bonus (Monday through Sunday) is calculated and determined each week. Bonus checks are mailed weekly. No Uni-level Bonus or Affiliate Sponsor Bonus (see below) is paid on these sales.

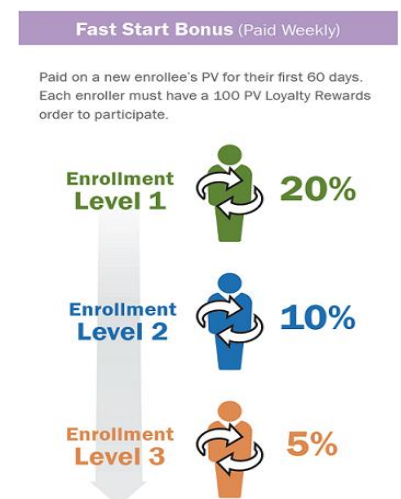


Figure 1

2. Power of Three Bonus

Overview. The Power of Three Bonus is a monthly bonus paid to Wellness Advocate Sponsors that can be \$50, \$250, or \$1,500. Any Wellness Advocate Sponsor with a Qualified LRP Order is eligible to earn the bonus. Affiliates are not eligible to earn Power of Three 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, Affiliates, or Wholesale Customers with Qualified LRP Orders, and a minimum Team Volume (TV) of 600 in sales.

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 Wellness Advocates must then have three personally sponsored Wellness Advocates who qualified 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 Wellness Advocates must then have three personally sponsored Wellness Advocates who qualified 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, Affiliates and Wholesale Customers and volume from sales counted in the first bonus structure cannot be used to qualify a Sponsor for additional bonus structures.

3. Uni-level Bonus

Wellness Advocate Uni-level Overview. The Uni-level Bonus is paid to Wellness Advocates each month. The Uni-level Bonus is based on the monthly volume of sales to the Organization of the Wellness Advocate. A particular month's Uni-level Bonus is dependent upon the monthly Rank for which the Wellness Advocate has qualified and the monthly Organizational Volume of the Wellness Advocate. Wellness Advocates are allocated eighty percent of the qualifying volume (organizational level percentage) from an Affiliate's frontline volume for Uni-level Bonus. The Rank and Organizational Volume requirements must be met each month. By compression, essentially all uni-level is paid to Wellness Advocates. Sales on which Fast Start Bonuses are paid do not get included in the Uni-level volume. See, Figure 3.

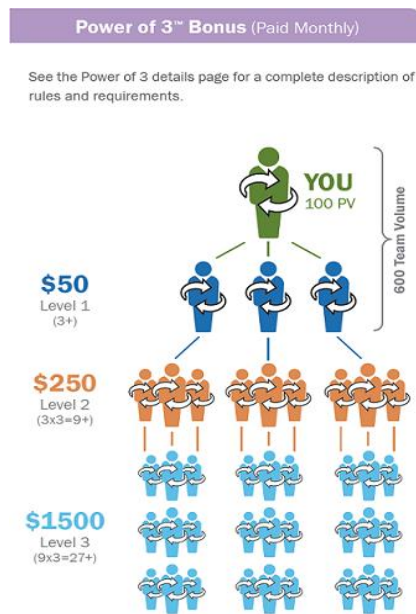


Figure 2

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. To achieve a Rank, each Rank has minimum monthly requirements of Personal Volume and Organizational Volume. For instance, the Manager Rank requires 100 PV and 500 OV.

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

The percentage 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 Organization. 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. 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 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 of the 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 is not permitted to use the personally enrolled platinum leg used by the PD1 in that month.

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

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. **Affiliate Sponsor Bonus.** An Affiliate is eligible to earn an Affiliate Sponsor Bonus from sales to their frontline Wellness Advocates or Wholesale Customers after sixty (60) days of enrollment of said members. The Affiliate Sponsor Bonus pays 10% of Commissionable Order sales to their frontline that have been members for longer than sixty (60) days. Affiliates are not permitted to enroll other Affiliates. The Affiliate Sponsor Bonus is paid weekly. An Affiliate does not attain a rank within the Sales Compensation Plan and is only paid on sales to their frontline organization. Sales on which Fast Start Bonuses are paid do not get included in the Affiliate Sponsor Bonus.
5. **Infinity Performance Pools – a bonus based on leadership performance.**
Overview of the Infinity Performance Pools. The Infinity Performance Pools are earned and paid each month to Premier Ranks and above. The Infinity Performance Pools collectively represent four and one quarter percent (4.25%) of the Company Volume—the Empowerment Pool (1.25%), the 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%, 1.25% or 2%), multiplied by the Company Volume for the same month, and divided by the number of shares of Wellness Advocates who have qualified for a share or shares in the month. Affiliates are not eligible for Infinity Performance Pools.

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

# of shares	Empowerment Pool			Leadership Performance Pool			Diamond Performance Pool		
	Premier	Silver	Gold	Silver	Gold	Platinum	Diamond	Blue Diamond	Presidential Diamond
# of shares	1	1	2*	1	5	10	1	2	3
	1.25%			2%			1%		
	Empowerment Pool is limited to one share per qualifying Premier and Silver and up to two shares per qualifying Gold.			Leadership Performance Pool may earn additional shares with each new personally enrolled Elite.†			Diamond Performance Pool may earn additional shares with each new personally enrolled Premier.†		

*Gold may qualify for up to two shares in Empowerment Pool. See Company Policy Manual for details. † Must be first-time qualifiers, unlimited shares in Leadership Performance Pool and Diamond Performance Pool. See Company Policy Manual for details.

Figure 4

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

6. 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. Affiliates are not eligible for Diamond Pools.

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
	+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.

7. 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. Affiliates are not eligible for Founders Bonus.

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.

The Company reserves the right to offer, at its discretion and upon proper notification and approval from relevant authorities, additional Founders Bonuses, each version of which will correspond to and be paid from certain designated sales blocks of Local Market Volume.

8. The Loyalty Rewards Program

Overview. Wellness Advocates, Affiliates and Wholesale Customers can ensure to receive monthly deliveries of dōTERRA products by enrolling in the Loyalty Rewards Program (LRP). LRP eliminates the inconvenience of placing monthly orders manually.

Earning Product Credits. A Wellness Advocate, Affiliate or Wholesale Customer's initial LRP Order may be eligible for Product Credits, and subsequent LRP Orders that are at least 50 PV each month are eligible to for Product Credits each month.

Redemption of Product Credits. After the Wellness Advocate, Affiliate or Wholesale Customer has been an LRP participant for 60 days, he may redeem Product Credits for 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 1-800-411-8151. Products obtained with LRP Product Credits are not for resale, nor can such product be returned. If products are returned, the Company has the right to recoup and deduct the amount of Product Credits that were used to acquire the returned products against any award of future Product Credits. 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 or Affiliate may not set up an LRP order on behalf of another participating Wellness Advocate, Affiliate, or Wholesale Customer, without written permission from the participating Wellness Advocate, Affiliate 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, Affiliate or Wholesale Customer and must be shipped to the primary address listed on the participant's account.

9. **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 or Affiliates for bonuses resulting from the ordering of these products. The details of each of these offerings will be made available at dōTERRA.com.

10. **General and Miscellaneous Compensation Provisions**

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

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

profit or success. The profit and success of a Wellness Advocate can come only through the successful sale of products and the sales of other Wellness Advocates within the Organization of the Wellness Advocate. All success is based primarily on the efforts of each Wellness Advocate and Affiliate.

Effort. Generating meaningful compensation as a Wellness Advocate or Affiliate 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 or Affiliate by the last day of the bonus period in order to be included in that period's bonus and qualification computations. Product sales must be completed, and payment received, by the last day of the bonus period in order to be paid or qualify for a Rank for that period.

Preconditions to Bonus Payments. Wellness Advocates and Affiliates 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. In order to promote good business practices, Wellness Advocates and Affiliates agree that all Bonuses may be subject to Company auditing processes.

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

Concentrated Legs. In the event the volume from one leg of a Wellness Advocate's Organization exceeds eighty percent (80%) of the Wellness Advocate's total Organization volume, the total Uni-level Bonus of the Wellness Advocate shall not exceed \$2,000.00 if the Wellness Advocate holds the Rank of Elite; \$5,000.00 if the Wellness Advocate holds a Rank of Premier; \$11,000.00 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 Uni-level Bonus.

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

Duty to Retain Documents. Each Wellness Advocate or Affiliate 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 and Affiliate 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 or Affiliates 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 or Affiliate misconduct, including but not limited to, unauthorized or misleading representations regarding an offer or sale of any product or service, or a dōTERRA Sales Compensation Plan opportunity; or
- 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 Affiliate or offset the amount of the recoupment against any present or future bonuses.

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

Unclaimed Funds. A Wellness Advocate or Affiliate who fails to timely (as determined by relevant state laws) cash a check, or otherwise fail to accept payment of any bonus or commission paid by the Company authorizes the Company to charge dormancy charges, interest charges, fees, and document costs to the extent permitted by law. Document fees shall not exceed \$25 per document or notice sent to the Wellness Advocate or Affiliate, and the total of dormancy charges, interest charges, fees, and document costs shall not exceed \$50.00 during a twelve month period.

Section 9. Product and Business Claims

- A. **Food and Drug Administration Standards.** Many products fall under nutritional and cosmetic classifications set forth by the U.S. Food and Drug Administration (FDA). The FDA regulates and oversees the production and sale of nutritional and cosmetic products to assure their safety and proper representation to the public. The FDA also has labeling and packaging standards with which the Company must comply.
- B. **Federal Trade Commission Standards.** Similarly, advertising is regulated by the Federal Trade Commission (FTC). Laws enforced by the FTC require representations made by the company, Wellness Advocates or Affiliates, about the health benefits, performance, efficacy, safety or ingredients of dōTERRA Products to be based upon competent and reliable scientific evidence that substantiates the representation being made. “Competent and reliable scientific evidence” means tests, analyses, research and/or studies using procedures generally accepted by experts in the relevant scientific field that yield accurate and reliable results and that have been conducted and evaluated in an objective manner by persons qualified to do so. Further, the FTC requires representations about a business opportunity, including earnings claims, to be truthful and non-misleading, which means that claims about the potential to achieve a wealthy lifestyle, career-level income, or significant income are misleading if participants generally do not achieve such results. All earnings claims must be accompanied by the dōTERRA Opportunity and Earnings Statement.
- C. **Permissible Claims.** A Wellness Advocate or Affiliate may represent that dōTERRA products are safe to use and are:
 - 1. specifically formulated to support wellness; and
 - 2. intended to improve personal appearance.

- D. **FDA Disclaimer.** When discussing the benefits of dōTERRA products, a Wellness Advocate and Affiliate should refer to the FDA statement on dōTERRA product labels: “These statements have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent disease.”
- E. **No Curative or Drug Claims.** A Wellness Advocate or Affiliate may not make any medical claim for any product nor specifically prescribe any given product as suitable for any specific ailment, as that type of representation implies the products are drugs rather than nutritional supplements or cosmetics. Under no circumstance should these products be likened to drug products prescribed for the treatment of specific ailments or that such products alleviate disease symptoms or prevent diseases and disorders. While the Company makes every effort to achieve full compliance with complicated and periodically amended FDA regulations, no Wellness Advocate or Affiliate should state or infer that any product is approved by the FDA. The FDA does not require or grant specific approval for individual nutritional or cosmetic products.
- F. **Disclosure.** When promoting dōTERRA or dōTERRA products, a Wellness Advocate and Affiliate must disclose the fact that they receive Bonuses and commissions from the Company.

Section 10. Advertising and Use of the Company’s Intellectual Property Rights

- A. **dōTERRA Intellectual Property.** dōTERRA Intellectual Property are valuable assets. By using dōTERRA Intellectual Property, Wellness Advocates and Affiliates 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 and Affiliates 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 or Affiliate what it does not own. Accordingly, when using dōTERRA Intellectual Property and Content, Wellness Advocates and Affiliates 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 on <http://doterra.com/US/en/>, and that is related to the Local Market in which a Wellness Advocate or Affiliate markets products or recruits other Wellness Advocates or Affiliates.
 - 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 for the purpose of offering or selling Company products, recruitment of prospective Wellness Advocates, Wholesale Customers, or Affiliates, or the training of Wellness Advocates and Affiliates.
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. **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.
10. **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, Affiliates, or training of Wellness Advocates and Affiliates, which makes reference to the Company, the Company products, the Sales Compensation Plan, or dōTERRA Intellectual Property.
11. **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 and Affiliates 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 and Affiliates 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 with prior written permission from Company.
2. **Context and True Statements.** Wellness Advocates and Affiliates 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 and Opportunity.** Wellness Advocates and Affiliates 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 the FDA and FTC and other

regulatory bodies (see, Section 9). Please review Policy Manual Section 9, product information pages, and Opportunity and Earnings Disclosure Summary at <https://www.doterra.com/US/en/> for additional guidance.

4. **Variations, Takeoffs or Abbreviations.** Wellness Advocates and Affiliates 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 and Affiliates 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 and Affiliates 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 and Affiliates 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 social media pages, Facebook pages, Instagram pages, Pinterest pins, blogs, or YouTube channels are not permitted.
 - b. **Websites.** All Wellness Advocates and Affiliates wishing to have a static online dōTERRA presence may only use a dōTERRA approved Replicated Website or Certified Website and acknowledge Company may implement a 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 and Affiliates 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 and Affiliates 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 social media, 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 and Affiliates 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 and Affiliates should consult the media specific guidelines of their Local Market.
 - f. **Data Security and Privacy Policy.** Wellness Advocates and Affiliates must comply with data security and privacy laws and also 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 and Affiliates 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 or Affiliate’s account to online users; (2) posting message that contain the Wellness Advocate or Affiliate’s service address in new groups that are unrelated to the Wellness Advocate or Affiliate’s products; (3) creating false “from sources” in an email message, or newsgroup posting with the Wellness Advocate or Affiliate’s service address, thereby giving the impression that the message originated from the Company or its network of Wellness Advocates or Affiliates; (4) sending unsolicited emails or faxes to lists of people that are not within the Wellness Advocate or Affiliate’s Organization or with whom the Wellness Advocate or Affiliate has not had a prior business or personal relationship. All Company related email broadcasts must only be sent to Wellness Advocates or Affiliates in the Organization of the Wellness Advocate or Affiliate. Emails must not contain any false representations, income claims, or testimonials.
10. **Proper Use of Trademarks.** Wellness Advocates and Affiliates 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 and Affiliates must use the appropriate trademark or copyright symbol (TM, SM, ®, ©) the first time dōTERRA Intellectual Property appears.
- a. Wellness Advocates and Affiliates 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 and Affiliates must include an attribution of dōTERRA’s ownership of its Allowed Content within the credit notice section of a 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 and Affiliates 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 and Affiliates 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 and Affiliates 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 and Affiliates 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 and Affiliates 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 and Affiliates agree that nothing contained in the Contract shall be construed as an assignment or grant 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 and Affiliates agree that at the termination or expiration of the Contract, Wellness Advocates and Affiliates 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 Affiliate or which may have vested in Wellness Advocates or Affiliate in pursuance of any endeavors covered hereby, and that Wellness Advocates and Affiliate 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 and Affiliates may not terminate the rights granted to the Company in this Section 10.
 - b. A Wellness Advocate and Affiliate's rights granted in this Section 10 may be terminated by the Company upon immediate notice without the opportunity to cure should the Wellness Advocate or Affiliate 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 or Affiliate 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.
 - c. In the event of termination of this license for any reason, Wellness Advocates and Affiliates 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 10 shall be without prejudice to any rights which the Company may otherwise have against the Wellness Advocate or Affiliate.
5. **Rights are Personal.** The rights and duties under this section are personal to the Wellness Advocate and Affiliate and the Wellness Advocate or Affiliate 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 Affiliate or by operation of law.
6. **Remedies.** Each Wellness Advocate and Affiliate acknowledges and agrees that compliance with the terms of this Section 10 is necessary to protect the goodwill and other proprietary interests of the Company. Accordingly, Wellness Advocates and Affiliates agree that in the event of any breach of this Section 10
- a. The Company shall be entitled to injunctive relief and/or specific performance;
 - b. The Wellness Advocate or Affiliate shall not oppose such relief on the grounds that there is an adequate remedy at law; and
 - c. Wellness Advocates and Affiliates 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 or Affiliate 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 and Affiliates may not answer the phone as "dōTERRA" or imply they represent the Company or are more than a Wellness Advocate or Affiliate.

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 Vice-President of Public Relations 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 or Affiliate prepared, caused to be prepared, or distributed, which also contains any dōTERRA Intellectual Property or Content, must be immediately provided to the Company.
7. Wellness Advocates and Affiliates 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 11. Retail Store, Service Establishment Sales and Trade Show Policy

- A. **Retail Store Policy.** With written approval from the Company, a Wellness Advocate or Affiliate may sell products and/or promote the dōTERRA business opportunity through retail stores such as health food stores, grocery stores, and other such establishments, except in such stores or establishments that, in the Company's sole discretion, are large enough to be considered state, regional or national chains.
- B. **Online Sales.** Wellness Advocates and Affiliates may not sell dōTERRA products through online auctions or mall sites, including but not limited to Walmart.com, Taobao.com, Alibaba, Tmal.com, Tencent platforms, Yahoo!, eBay or Amazon, unless they obtain written authorization from Company. Wellness Advocates may seek authorization by submitting a completed Online Auction/Mall Application, located at <https://www.doterra.com/US/en>, to the Company for its consideration. Upon Wellness Advocate's acceptance of the authorization terms and conditions and upon receipt of Company's written approval, Wellness Advocate may sell their dōTERRA products on the designated mall site. Wellness Advocates and Affiliates may also sell dōTERRA products through dōTERRA Replicated Websites and dōTERRA Certified Websites. Products that have been separated from a kit or package may not be sold online. Wellness Advocate and Affiliates acknowledges that Company may implement a minimum advertised price (MAP) policy and may use vendors to monitor MAP compliance.
- C. **Service Establishments.** Wellness Advocates and Affiliates 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. Hospitals may not be enrolled without written permission from compliance and legal departments.
- D. **Suitability.** The Company reserves the right, in its sole discretion, to make a final determination as to whether an establishment is a suitable place for the sale of the products. The Company's granting of permission in a particular case does not waive its right to enforce this policy in any and all other cases.
- E. **Trade Show Policy.** Wellness Advocates and Affiliates wishing to display, promote and sell the dōTERRA products and opportunity in connection with a trade show or public event may rent a booth or set up an exhibit at a trade show, public event or convention ("Convention"), subject to the Company's written approval of the Convention and the Wellness Advocate and Affiliate'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 at <http://media.doterra.com/us/en/forms/event-submission.pdf>

2. In order to obtain a booth and secure exclusive rights, the Company must receive a form requesting permission to participate at least four weeks prior to the show.
3. The Company reserves the right to only allow one booth representing the Company and products per show. Only dōTERRA products and/or opportunity may be offered in the trade show booth. Only dōTERRA produced marketing materials may be displayed or distributed. A purchase of a Company- Wellness Advocate or Affiliate banner, to display in the booth, is required. Exclusive rights are granted in the sole discretion of the Company.
4. The Wellness Advocate and Affiliate will not reference dōTERRA in any form of advertisement or promotional material that implies that dōTERRA is participating in the Convention. Instead, any Company-approved advertisement or promotional material must make specific reference to the Wellness Advocate or Affiliate of dōTERRA, including any maps or listings prepared by the sponsor of the Convention.
5. The Wellness Advocate and Affiliate will not make any earnings representations without using Company's current full earnings disclosure. Wellness Advocates and Affiliates may not make lavish lifestyle income claims.
6. The Wellness Advocate or Affiliate will not use the Convention to promote any product, service, or business opportunity other than the dōTERRA business in which the Wellness Advocate or Affiliate may be involved.
7. During the Convention the Wellness Advocate and Affiliate must personally comply with the Policy Manual and is responsible for (i) the actions of every person who works in the booth at the Convention, (ii) all material distributed at the Convention, and (iii) all other aspects of participation in the Convention.
8. In addition to the other remedies provided in the Policy Manual, the Company reserves the right to deny future Convention participation for any policy violation at a Convention.

Section 12. International Business

- A. **Permissible Activity in Unopened Markets.** Prior to the official opening of an Open Local Market, permissible Wellness Advocate and Affiliate activity in an unopened Local Market is limited to providing business cards and conducting, organizing or participating in meetings where the number of attendees at any given meeting, including the Wellness Advocate or Affiliate, does not exceed five. Participants in such meetings must be personal acquaintances of the Wellness Advocate or Affiliate or personal acquaintances of the Wellness Advocate and Affiliate's personal acquaintances in attendance at the meeting. The meetings must be held in a home or a public establishment but may not be held in a private hotel room. All cold calling techniques (soliciting persons who are not prior personal acquaintances of the contacting Wellness Advocate or Affiliate) are strictly prohibited in unopened Local Markets.
- B. **Prohibited Acts in Unopened Local Markets.**
 1. A Wellness Advocate or Affiliate may not conduct business in or with countries, persons, or groups against which the United States, the European Union, or any other applicable government authority, has instituted sanctions (including but not limited to Crimea Region/Sevastopol, the so called Donetsk People's Republic (DNR)/Luhansk People's Republic (LNR), Cuba, Iran, North Korea, and Syria).
 - a. The prohibition includes, but is not limited to, the absolute requirement that a Wellness

Advocate or Affiliate will not directly or indirectly export, re-export, transmit, or cause to be exported, re-exported or transmitted, any physical goods commodities, intangible goods (such as software or technology) to any country, individual, corporation, organization, or entity to which such export, re-export, or transmission is restricted or prohibited, including any country, individual, corporation, organization, or entity under sanctions or embargoes administered by the United Nations, the United States, the European Union, or any other applicable government authority.

2. A Wellness Advocate or Affiliate may not import or facilitate the importation of, sale, gift, or distribution of, Company products, services, or product samples.
3. A Wellness Advocate or Affiliate may not place any type of advertisement or distribute promotional materials regarding the Company, its products or the opportunity, except Company Produced Sales Aids, which are specifically authorized for distribution in unopened Local Markets.
4. A Wellness Advocate or Affiliate may not solicit or negotiate any agreement for the purpose of committing a citizen or resident of an unopened Local Market to the opportunity, a specific Enrolling Sponsor or specific line of sponsorship. Furthermore, Wellness Advocates and Affiliates may not sign up citizens or residents of unopened Local Markets in an Open Local Market or by using Wellness Advocate or Affiliate Agreements from an Open Local Market, unless the citizen or resident of the unopened Local Market has, at the time of sign up, permanent residence and the legal authorization to work in the Open Local Market. It is the Enrolling Sponsor's responsibility to ensure compliance with residency and work authorization requirements. Membership or participation in, or ownership of a Corporation, partnership or other legal entity in an Open Local Market does not by itself fulfill the residency or legal authorization to work requirements. If a participant to a Distributorship fails to provide verification of residency and work authorization when requested by the Company, the Company may, at its election, declare a Wellness Advocate or Affiliate void from its inception.
5. A Wellness Advocate or Affiliate may not accept money or other consideration, or be involved in any financial transaction with a potential Wellness Advocate or Affiliate which rents, leases, or purchases facilities for the purpose of promoting or conducting Company-related business.
6. A Wellness Advocate or Affiliate may not promote, facilitate, or conduct any type of activity which exceeds the limitations set forth in this Policy Manual or which the Company, in its sole discretion, deems to be contradictory to the Company's business or ethical interests in international expansion.

C. **Foreign Corrupt Practices Act.** All Wellness Advocates and Affiliates must comply with the United States Foreign Corrupt Practices Act (FCPA). For a full explanation of the FCPA, see the dōTERRA handout on <http://doterra.com/US/en/>. A person or organization is guilty of violating the FCPA if there is:

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

5. in order to assist in obtaining or retaining business for or with, or directing any business to, any person.
- D. **No Exclusive Local Markets or Franchises.** There are no exclusive Local Markets or franchises. An Wellness Advocate and Affiliate has the right to operate anywhere in the Wellness Advocate's or Affiliate's country of residence.
- E. **Prohibited Local Markets.** It is expressly prohibited to conduct pre-marketing and/or business in or with countries, persons, or groups against which the United States, the European Union, or any other applicable government authority, has instituted sanctions (including but not limited to Crimea Region/Sevastopol, the so called Donetsk People's Republic (DNR)/Luhansk People's Republic (LNR), Cuba, Iran, North Korea, and Syria). The Company reserves the right to designate certain Local Markets wherein all pre-marketing conduct is expressly prohibited. It is the responsibility of each Wellness Advocate and Affiliate, prior to each instance of conducting pre-market opening activities in an unopened market, to verify through current contact with the Company that the Local Market in which she plans to conduct those activities is not a prohibited Local Market. A Wellness Advocate or Affiliate may obtain a list of prohibited Local Markets by calling the Company.
- F. **Violation of International Policy.** In addition to other remedies allowed by the Contract, a Wellness Advocate or Affiliate who fails to comply with any provision of this Section 12 may be prohibited from participating in the affected international market for a period deemed appropriate by the Company. This prohibition could include but is not limited to the following:
1. the Wellness Advocate and Affiliate may have no right to international distribution/sponsorship rights in the affected Local Market;
 2. the Wellness Advocate, Affiliate, and the Wellness Advocate's upline may not be entitled to Bonuses generated by the Wellness Advocate or Affiliate's downline Organization in the respective Local Market;
 3. Additionally, in all markets, for a period of up to one year, the Wellness Advocate or Affiliate may not be entitled to privileges traditionally afforded Wellness Advocates or Affiliates such as recognition at corporate events or in corporate literature, and receipt of new Wellness Advocate or Affiliate sign up materials prior to the official opening of any new market.
- A Wellness Advocate or Affiliate who has been unable to participate in a market because of non-compliance with Section 12 of this Policy Manual must petition the Company in writing for written permission to participate in the market after the period of prohibition has passed.
- G. **No Waiver of Other Rights.** The provisions of this Section 12 do not waive the Company's rights as set forth elsewhere in the Contract.

Section 13. Payment of Taxes

- A. **Income Tax.** A Wellness Advocate and Affiliate accepts sole responsibility for all self-employment and income taxes due to income earned as a dōTERRA Wellness Advocate or Affiliate. At the end of each calendar year, dōTERRA will provide a statement of earnings [1099 form] for tax purposes to each Wellness Advocate and Affiliate with an annual income at or over the minimum required to be reported to the United States Internal Revenue Service. Note: Any contest, incentive or prize items may be included in the 1099 form. To the extent required by law, the Company will send notification of the Wellness Advocate and Affiliate's product purchases and Bonus payments to relevant tax authorities.

- B. **Sales Tax.** dōTERRA provides the service of collecting state sales tax at the time of purchase and remitting it to the Wellness Advocate and Affiliate's domicile state. The amount of sales tax is based upon the suggested retail price of a product, calculated at the Wellness Advocate and Affiliate's local tax rate. Wellness Advocates and Affiliates may recoup the prepaid sales tax at the time of retail sale. dōTERRA will charge sales tax on the suggested retail price regardless of how the order was placed, according to the tax rates applicable to the state to which products are shipped by dōTERRA, unless the Wellness Advocate or Affiliate has submitted a Sales Tax Exemption certificate and a Resale Tax Number. Note: Wellness Advocates and Affiliates are not exempt from taxes when products are sold to tax exempt customers. Sales tax will be charged on the wholesale value of LRP autoship orders, as Wellness Advocates and Affiliates certify and represent to dōTERRA that their LRP purchases are for personal use, or for use in their business as samples, gifts, or testing, and that they are not to be resold.
- C. **Sales Tax Exemption.** If allowed by law in a Wellness Advocate or Affiliate's domicile state, and by the Company, a Wellness Advocate or Affiliate who prefers to collect, document, report, and pay his or her own sales tax may do so by obtaining a Resale Tax Number from the State Department of Tax or Revenue and sending the Company the proper Sales Tax Exemption form that is recognized by his or her state. The Company cannot exempt any Wellness Advocate or Affiliate's order from pre-collected state sales tax until all proper documentation is on file with the Company. The Wellness Advocate and Affiliate agree to indemnify and hold the Company harmless regarding any liability that it is charged as a result of their failure to collect or remit sales tax.

Section 14. Product Liability Claims

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

Section 15. Authorized Use of Wellness Advocate's Information

- A. **Wellness Advocate and Affiliate Lists.** Lists of Wellness Advocates and Affiliates 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 Wellness

Advocate or Affiliate 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 Wellness Advocates or Affiliates through their production or distribution of that material contractually agree to the confidentiality and proprietary nature of those mailing lists and that any use, retention or disclosure of those lists or contacts generated therefrom, except for the sole purpose of furthering the Company's business, is expressly forbidden. They also agree that the information is the property of the Company and any materials offered to the Wellness Advocates or Affiliates 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 Wellness Advocates or Affiliates (hereinafter in the context of Lists, the "Recipient"). Each portion of the provided List contains only information specific to the Recipient's level and his or her own Downline Organization.
- 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 Organization for furtherance of the Company-related business only. Each Recipient agrees that each use, within its intended scope, constitutes a separate exclusive license agreement between the Recipient and the Company.
- 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 Wellness Advocate and Affiliate agrees:
 - 1. to hold confidential and not disclose any Lists or portion thereof to any third Person, including, but not limited to, existing Wellness Advocates, Affiliates, competitors, and the general public;
 - 2. to limit use of the Lists to their intended scope of furthering the Wellness Advocate and Affiliate's dōTERRA-related business. The Lists may not be used to identify and solicit dōTERRA Wellness Advocates or Affiliates to other commercial opportunities and activities;
 - 3. that any use or disclosure of the Lists outside of those authorized herein, or for the benefit of any third Person, constitutes misuse, misappropriation, and a violation of the Recipient's license agreement, which causes irreparable harm to the Company;
 - 4. that, upon any violation under this section, the Recipient stipulates to injunctive relief as an appropriate remedy enjoining that use under applicable national or local laws, and will immediately retrieve and return to the Company all Lists previously provided to the Recipient upon the Company's request, and that the obligations under this section will survive the termination of the Recipient's Contract.
- F. **Company Remedies for Violation.** The Company reserves the right to pursue all appropriate remedies under applicable national or local laws to protect its rights to the above-stated proprietary and trade secret information covered by the Lists. Any failure to pursue any applicable remedies will not constitute a waiver of those rights.

Section 16. Limitation of Liability

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

A. **No Representation or Warranties.** Except as provided in this Policy Manual, dōTERRA makes no express or implied representations or warranties with respect to the dōTERRA products to be provided hereunder or their condition, merchantability, fitness for any particular purpose or use by Wellness Advocates or Affiliates.

B. **Limitation on Damages.** To the fullest extent allowable by Utah law, the Parties make the following agreements with respect to any claims for damages against the Company its members, managers, directors, officers, shareholders, employees, assigns, and agents, regardless of the form of such claim (whether in tort, contract, or other):

- a. The Company its members, managers, directors, officers, shareholders, employees, assigns, or agents will not be liable to Wellness Advocate or Affiliate for any special, indirect, incidental, punitive or consequential damages, including lost profits. This limitation applies to, but is not necessarily limited to, claims arising from or related to the operation of the Wellness Advocate or Affiliate's distributorship as well as any purchase or use of dōTERRA's products.
- b. Notwithstanding any statute of limitation to the contrary, the Company its members, managers, directors, officers, shareholders, employees, assigns, or agents will not be liable for any damages (regardless of their nature) for any delay or failure by the Company to perform its obligations under the Contract due to any cause beyond its reasonable control.
- c. Notwithstanding any other provision of the Contract, the Company, its members, managers, directors, officers, shareholders, employees, assigns, or agents will not be liable to a Wellness Advocate or Affiliate for any damages in excess of the total amount of money the Company actually received from the Wellness Advocate or Affiliate pursuant to the terms of the Contract.

C. **Indemnification.** Wellness Advocate and Affiliate agrees to release and indemnify dōTERRA from any and all liability, damages, fines, penalties, or other awards or settlements arising from, or relating to Wellness Advocate or Affiliate's actions in the promotion or operation of Wellness Advocate and Affiliate's independent business and any activities related to it (for example, but not limited to, the presentation of dōTERRA products or Sales Compensation Plan, the operations of a motor vehicle, the lease of meeting or training facilities, the making of any unauthorized claims, the failure to comply with any applicable federal, state, or municipal law or regulation, etc.).

D. **Contractual Limitation Period for Claims Against dōTERRA.** Notwithstanding any statute of limitations to the contrary, Wellness Advocate and Affiliate agrees that Wellness Advocate or Affiliate will not assert any claims or commence legal proceedings against dōTERRA arising from or related to this Contract more than one year after dōTERRA's alleged wrongdoing that give rise to the claim. Wellness Advocate and Affiliate agrees that failing to bring a claim within one year from the time such alleged wrongdoing occurred shall act as a total bar against any and all claims against the Company for such alleged wrongdoing. Wellness Advocate and Affiliate hereby knowingly and voluntarily waives any and all claims or rights to have any other statute of limitation apply.

Section 17. Disciplinary Actions

A. **Rights Conditioned Upon Performance.** A Wellness Advocate and Affiliate's rights under the Contract are conditioned upon and subject to the Wellness Advocate and Affiliate's continued performance in accordance with the terms of the Contract. Upon failure by a Wellness Advocate or Affiliate to perform

his or her obligations as set forth in the Contract, the Wellness Advocate and Affiliate's rights cease. The Company may excuse a Wellness Advocate or Affiliate's non-performance in whole or in part without waiving its rights and remedies under the Contract.

- B. **Possible Disciplinary Actions.** If Wellness Advocates and Affiliates violate any of the terms and conditions of the Contract or engage in any illegal, fraudulent, deceptive, or unethical business conduct, dōTERRA may, in its sole discretion, invoke any disciplinary action that it deems appropriate. The potential disciplinary actions are:
1. Issue an oral and/or written warning or admonition to the Wellness Advocate or Affiliate;
 2. Closely monitor the conduct of the Wellness Advocate or Affiliate over a specified period of time to ensure performance of the contractual duties;
 3. Require the Wellness Advocate or Affiliate to provide the Company with additional assurances that the Wellness Advocate or Affiliate's performance will be in compliance with the Contract. Further assurances may include requiring the Wellness Advocate or Affiliate to take certain actions in an effort to mitigate or correct non-performance;
 4. Deny or suspend privileges that are awarded from time to time by the Company or cease performing the Company's obligations under the Contract, including but not limited to, awards, recognition at corporate events or in corporate literature, participation in Company-sponsored events, placement of product orders, promotion within the Sales Compensation Plan, access to Company information and genealogies, or the Wellness Advocate or Affiliate's participation in other Company programs or opportunities;
 5. Discontinue or limit payment of Bonuses from all or any part of the sales of the Wellness Advocate, Affiliate, or the Wellness Advocate or Affiliate's Organization;
 6. Impose a fine, which may be imposed immediately or withheld from future Bonus or commission checks;
 7. Reassign all or part of the Wellness Advocate or Affiliate's Organization;
 8. Adjust the Wellness Advocate or Affiliate's status;
 9. Suspend the Wellness Advocate or Affiliate, which may result in termination or reinstatement with conditions or restrictions;
 10. Terminate the Distributorship of the Wellness Advocate or Affiliate; and
 11. Seek injunctive relief or other remedies available by law.
- C. **Realignment of All or Part of an Organization.** The Company reserves the right to move or realign an Organization, or parts thereof, from Enrollers or Sponsors who violate the terms of this Policy Manual or who commit or are involved in conduct of moral turpitude as determined by the Company in its sole discretion. Nothing herein requires the Company to take any action, nor does it waive any rights by postponing or declining to do so. Examples of conduct of moral turpitude may include but are not limited to: unwelcome sexual advances or communications, failure to repay debts, bankruptcy, physical harm, mischief or abuse, theft, and interference with family relationships.
- D. **Investigation.** The following procedure applies when dōTERRA investigates an alleged violation of the Contract:
1. The Company will either provide the Wellness Advocate or Affiliate with a verbal notice and/or send a written notice of the alleged breach of Contract. Each Wellness Advocate and Affiliate agrees that

the relationship between a Wellness Advocate, Affiliate and the Company is entirely contractual. Accordingly, the Company will neither honor nor respect any claim by a Wellness Advocate or Affiliate that the relationship is or has been quasi-contractual, has arisen by implication from any continuing practice or course of action, has been verbally authorized by an employee of the Company in contradiction of the terms of the Contract, or is otherwise implied in fact.

2. In a case when written notice is sent, the Company will give the Wellness Advocate and Affiliate ten business days from the date of dispatch of a notification letter during which the Wellness Advocate or Affiliate may present all information relating to the incident for review by the Company. The Company reserves the right to prohibit activity (e.g. placing orders, sponsoring, modifying Wellness Advocate information, receiving Bonuses, etc.) by the Distributorship in question from the time notice is sent until a final Company decision is rendered.
 3. On the basis of any information obtained from collateral sources and from the Company's investigation of the statements and facts taken together with information submitted to the Company during the response period, the Company will make a final decision regarding the appropriate remedy, which may include the termination of the Contract with the Wellness Advocate or Affiliate. The Company will promptly notify the Wellness Advocate or Affiliate 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 20.C herein will be provided upon request from the Company.
- E. **Request for Termination.** A Wellness Advocate or Affiliate 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 Wellness Advocate for six months from the date of last activity if the Wellness Advocate achieved the Rank of Premier or lower, unless approved by Company. If the Wellness Advocate has achieved the Rank of Silver or higher, the person must wait twelve months before signing up as a Wellness Advocate with dōTERRA. Activity includes but is not limited to purchasing product, recruiting other Wellness Advocates, or earning commissions. All obligations regarding confidentiality of information and the Wellness Advocate or Affiliate network survive termination of the Contract, including but not limited to the obligations outlined in Section 10 and Section 15.
- F. **Voluntary Termination.** When a Distributorship is voluntarily terminated, the account is placed in a suspended status for a period of twelve months from the date of last activity, after which period the account is actually terminated and removed from the genealogy tree. In other words, a suspended account stays in the genealogy tree until it is actually terminated by the Company; there is no "roll-up" of Downline during the suspension period. Due to the Sale Compensation Plan's compression, however, volume will roll-up past the suspended Wellness Advocate or Affiliate, allowing for maximum payout.
- G. **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.
- H. **Co-applicant Binds Distributorship.** The act of any participant or co-applicant in a Distributorship, or spouse or partner of a Wellness Advocate or Affiliate, is attributable to the Distributorship and any remedies, including termination of the Contract, necessitated by that act may be applied to the Distributorship generally.

- I. **Time Limitation on Claims Made.** The Company will not review any violation of the terms and conditions of the Contract not brought to the Company's attention within two years of the initiation of the alleged violation. Failure to report a violation within the two-year period will result in the Company not pursuing the allegations in order to prevent stale claims from disrupting the ongoing business activities of Distributorships. All reports of violations must be in writing and sent to the attention of dōTERRA's legal department.
- J. **Action Against a Wellness Advocate.** The Company may take action against a Wellness Advocate or Affiliate as outlined in this Section 17 of the Policy Manual and elsewhere in the Contract if the Company determines, in its sole discretion, that the Wellness Advocate's or Affiliate's conduct or the conduct of any participant in the Distributorship is detrimental, disruptive, or damaging to the well-being or reputation of a Distributorship or the Company. In the event action taken by the Company may be in dispute, the Company may maintain the account until, in the Company's discretion, the potential dispute no longer exists.

Section 18. 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). Wellness Advocates and Affiliates 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 Wellness Advocates and Affiliates, as an effective and binding provision. By continuing to act as a Wellness Advocate or Affiliate, or engaging in any Distributorship activity, including purchasing products, recruiting other Wellness Advocates or Affiliates, or earning commissions, after the amendments or modifications have become effective, a Wellness Advocate and Affiliate acknowledges acceptance of the new Contract and/or Sales Compensation Plan terms.
- B. **Bound by Amendments.** Wellness Advocates and Affiliates will be bound by any amendments to this Policy Manual, the Contract, and/or the Sales Compensation Plan upon notification of amendments through any of dōTERRA's official channels of communication including the Company's website, emails, newsletters or other publications or mail to the Wellness Advocate or Affiliate. By continuing to act as a Wellness Advocate or Affiliate, or engaging in any Distributorship activity, including purchasing products, recruiting other Wellness Advocates or Affiliates, or earning Bonuses, after amendments or modifications have become effective, a Wellness Advocate and Affiliate confirms acceptance of the Contract and any amendments and agree to be bound by the Contract.

Section 19. Successors and Claims

- A. **Binding Effects and Continuing Benefits.** The Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- B. **Transfer of a Distributorship Position.** Except as otherwise noted in this Policy Manual a Wellness Advocate or Affiliate may dispose of, sell, transfer, or otherwise assign his or her Distributorship assets in any manner allowed by the Contract and applicable law (including sale, gift, or bequest) with the prior written consent of the Company. Any assets that take the form of claims to compensation or satisfaction of contractual obligations, from or by the Company, will not be recognized as assets of the transferee on the records of the Company until the Company has received written notification of the transfer and has given its formal written approval. In the event a Distributorship is suspended or terminated, the

Company may permit a new Distributorship to transfer into the Distributorship's position within an Organization. The Distributorship transferred is subject to all remedial measures under the Contract that may have arisen prior to the transfer.

1. Upon a gift, sale, transfer, assignment or other disposition of a Distributorship, a new Distributorship is created. Notwithstanding the fact that a new Distributorship is created, the new Distributorship shall take the place of the former Distributorship organizationally. Further, unless expressly agreed to in writing by the Company, the Accounts Receivable balance, personal volume, LRP points, and enrollment date shall be retained by the former Distributorship.
 2. For purposes of signing up again as a Wellness Advocate or Affiliate, a gift, sale, transfer or assignment is treated as a termination with respect to the transferor. In other words, a Wellness Advocate or Affiliate 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 Wellness Advocate or Affiliate may not sell, convey, assign, or otherwise transfer any right conveyed by the Contract to any Person or entity without the express, prior written consent of the Company. A Wellness Advocate or Affiliate may delegate his or her responsibilities but is ultimately responsible for ensuring compliance with the Contract and applicable laws. Any Person working with or for the Wellness Advocate or Affiliate as part of his or her Distributorship will do so only under the Wellness Advocate's or Affiliate's direct supervision.
- C. **Distributorship Succession.** In the event that a Wellness Advocate or Affiliate dies or becomes incapacitated, that Wellness Advocate or Affiliate's organization will pass to the Wellness Advocate or Affiliate's legal successors under the appropriate laws. Upon obtaining Company written approval, Section 2.G shall not apply to a Wellness Advocate or Affiliate that is a legal successor of another account. Successors should promptly notify the Company in writing of such an event and provide the proper documentation.
- D. **Operation of the Distributorship During Succession.** During the pendency of a divorce or entity dissolution, the parties must adopt one of the following methods of operation:
1. One of the parties may, with consent of the other(s), operate the Distributorship pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize the Company to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
 2. The parties may continue to operate the Distributorship jointly on a "business-as-usual" basis, whereupon all compensation paid by the Company will be paid in the joint names of the Wellness Advocates or Affiliates or in the name of the entity to be divided as the parties may independently agree between themselves.
- E. **Distributorships are Indivisible.** Under no circumstances will the Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will the Company split Bonus checks between divorcing spouses or Wellness Advocates or Affiliates of dissolving entities. The Company will recognize only one Organization and will issue only one bonus check per Distributorship per commission cycle. Checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of bonuses and the ownership of the business, the Wellness Advocate or Affiliate may be involuntarily canceled.
- F. **Court Proceedings.** Wellness Advocates or Affiliates involved in court proceedings over the ownership or

the management of a Distributorship are under obligation to inform the Court that the Distributorship is indivisible, and that the Company will not divide an Organization or bonus checks. The final order must expressly assign ownership of the Distributorship.

- G. **Waiting Period to Sign Up Again.** If a former spouse or a former entity Wellness Advocate or Affiliate has completely relinquished all rights in their original Distributorship, upon Company approval they may enroll under any sponsor of their choosing, notwithstanding the waiting period requirements set forth in Section 19.B.2. In such case, however, the former spouse or partner shall have no rights to any Wellness Advocates or Affiliate in their former organization or to any former customers. They must develop the new business in the same manner, as would any other new Wellness Advocate or Affiliate.

Section 20. Miscellaneous

- A. **Waiver.** The waiver by dōTERRA of any Wellness Advocate's or Affiliate's breach of any provision of the Contract must be in writing and will not be construed as a waiver of any subsequent or additional breach. The failure by the Company to exercise any right or prerogative under the Contract will not operate as a waiver of that right or prerogative.
- B. **Integrated Contract**
1. The Contract is the final expression of the understanding and agreement between the Company and a Wellness Advocate or Affiliate concerning all matters touched upon in the Contract and supersedes all prior and contemporaneous agreements of understanding (both oral and written) between the parties. The Contract invalidates all prior notes, memoranda, demonstrations, discussions and descriptions relating to the subject matter of the Contract. The Contract may not be altered or amended except as provided therein. The existence of the Contract may not be contradicted by evidence of any alleged prior contemporaneous oral or written agreement.
 2. Should any discrepancy exist between the terms of the Contract and verbal representations made to any Wellness Advocate or Affiliate 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 out of 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 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, except as provided herein, shall be settled by arbitration administered in Provo, Utah, by the American Arbitration Association in accordance with the provisions of its Commercial Arbitration Rules. The parties agree that any claims submitted to arbitration will be submitted in the party's individual capacity, and not as a plaintiff or class member in any purported class or representative proceeding. No arbitration or other proceeding will be combined with another without the prior written consent of all parties to all affected arbitrations or proceedings. Notwithstanding this agreement to arbitrate, the parties agree that claims for only injunctive relief may be brought exclusively in either the United States District Court for the District of Utah or the state courts in Utah County, Utah. The parties further agree that judgment on any 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.
- D. **Litigation and Claims.** In order to protect dōTERRA, its assets, and its reputation from claims or disputes created by outside (non- Wellness Advocate or non-Affiliate) third parties, the Company requires that if

any Wellness Advocate or Affiliate 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 or Affiliate becomes the subject of any claim or suit related to that Wellness Advocate or Affiliate'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 or Affiliate 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 or Affiliate shall take no action related to that claim and suit, unless the Company consents, which consent shall not unreasonably be withheld.

- E. **Governing Law.** To the fullest extent allowed by law, all actions arising out of or relating to the Contract will be governed by the laws of the State of Utah without giving effect to the principles of conflict of laws. Wellness Advocates and Affiliates agree that, notwithstanding any statute of limitation to the contrary, any claim or action a Wellness Advocate or Affiliate may wish to bring against dōTERRA for any act or omission arising out of or 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 and Affiliate waives any and all claims or rights to have any other statute of limitation apply.
- A. **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.
- F. **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.
- G. **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.
- H. **Notices.** Unless otherwise provided in the Contract, any notice or other communications requested or permitted to be given under the Contract shall be in writing and shall be delivered personally, transmitted by facsimile or sent by first class, certified (or registered) or express mail, postage prepaid. Unless otherwise provided in the Contract, notices shall be deemed given when delivered personally, or if transmitted by facsimile, one day after the date of that facsimile, or if mailed, five days after the date of mailing to the address of the Company's headquarters or to the Wellness Advocate or Affiliate's address as provided on the Wellness Advocate Agreement Form or Affiliate Agreement Form, unless notice of an address change has been received by the Company. The Company shall have the right, as an alternative method of notice under this Section, to use mailers, email address on file, Company websites, or other normal channels of communications with Wellness Advocates and Affiliates.

Section 21. Definitions

Affiliate: A Person who is an independent contractor authorized by the Company to purchase and retail products to Customers, promote products, and receive Bonuses in accordance with the requirements of the Sales Compensation Plan. An Affiliate is not permitted to enroll another Affiliate.

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

Affiliate Agreement Form: The application, whether in printed or electronic form, to become an Affiliate which, upon acceptance by the Company, is part of the Contract between the Affiliate and the Company. The Affiliate program is a pilot program that may be terminated by Company with or without cause.

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

Bonus: Compensation (sometimes called "commissions") paid by the Company to a Wellness Advocate or Affiliate based on the volume of products sold by a Wellness Advocate or Affiliate's organization upon meeting the requirements of the dōTERRA Sales Compensation Plan. See, Section 8.

Business Application Addendum: A supplemental document to the Wellness Advocate Agreement Form or Affiliate Agreement Form. The Business Application Addendum must be completed and signed by a partnership, corporation, or other legal entity (see Corporation) applying to become a Wellness Advocate or Affiliate. 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 International, LLC.

Company Credit: Company Credit is a Wellness Advocate or Affiliate's account receivable balance. Company Credit can be used to purchase product (compare, Product Credit).

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

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

Customer. The term "Customer" includes Wholesale Customers.

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

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

Downline: Another term for Organization.

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

Enroller: Enroller is a designation that entitles a Wellness Advocate to qualify for Ranks and Fast Start Bonuses in the Sales Compensation Plan. An Affiliate enroller entitles the Affiliate to qualify for Affiliate Fast Start Bonuses. Enrollers also enjoy the ability to identify a new Wellness Advocate's Sponsor within the Enroller's Organization. An Enroller can also be the Sponsor (compare, Sponsor). An Affiliate is not permitted to enroll another Affiliate.

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 Wellness Advocate or Affiliate can set up automatic monthly deliveries of dōTERRA products, and which may qualify a Wellness Advocate or Affiliate to receive Product Credits and other benefits in the Sales Compensation Plan (see, Section 8.B.8).

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

Organization: The group of Wellness Advocates or Affiliates sponsored in a Wellness Advocate's direct and subsequent downline chain of sponsorship or the group of Wellness Advocates or Affiliates sponsored on an Affiliate's frontline.

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

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

Policy Manual: Another term for Contract.

Product Claims: Claims related to the efficacy or effect of dōTERRA products. Product claims are regulated by federal, state, or local governments in which the Wellness Advocate or Affiliate does business, including the Food and Drug Administration, Federal Trade Commission, or similar governmental agencies in the jurisdiction of the Wellness Advocate or Affiliate.

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

Refer a Friend Enrollee: A Wholesale Customer or Wellness Advocate enrollee that enrolled with a Company provided link in the refer-a-friend promotion.

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 Affiliates, or training of Wellness Advocates or Affiliates, which makes reference to the Company, the Company products, the Sales Compensation Plan, or dōTERRA Intellectual Property.

Sponsor: A Wellness Advocate or Affiliate who has another Wellness Advocate or Affiliate placed directly underneath him in his/her Organization (compare, Enroller). An Affiliate is not permitted to enroll another Affiliate.

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

Wellness Advocate Agreement Form: 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.

Exhibit A—For Georgia Residents

Notice Required by Georgia State Law Regarding Disclosures

Georgia state law requires that a multilevel distribution company shall make available certain disclosures regarding the company prior to obtaining participants. This is your official notice that you have the right to request to see these disclosures prior to entering into any agreement with a multilevel marketing distribution company. This will be your only notice you receive regarding your rights to see these disclosures. If you waive these rights, you are giving up an important consumer protection that the State of Georgia has found you should be provided. If you wish to exercise these rights, please indicate below that you want to see the disclosures before agreeing to be a participant, then do not agree to become a participant until the disclosures have been made available to you.

Sign only one of the following statements:

I wish to see the disclosures required by law before I agree to become a participant.

_____ Date: _____

I do not wish to see the disclosures required by law; I understand that I will not be seeing important information which might affect my decision to participate in this multilevel distribution company.

_____ Date: _____