

## POLICIES and PROCEDURES

Updated: 30-8-18

### 1.0 INTRODUCTION

#### 1.1 Mutual Commitment Statement

**LifeEssence recognizes that in order to develop a long-term and mutually rewarding relationship with its Distributors and Customers, LifeEssence and its Distributors must acknowledge and respect the true nature of the relationship and support the Customers.**

**A. In the spirit of mutual respect and understanding, LifeEssence is committed to:**

- I. Provide prompt, professional, and courteous service and communications to all of its Distributors and Customers;**
- II. Provide the highest level of quality products, at fair and reasonable prices;**
- III. Exchange or refund the purchase price of any product, service or membership as provided in our *Return Policy*;**
- IV. Deliver orders promptly and accurately;**
- V. Pay commissions accurately and on a timely basis;**
- VI. Expedite orders or checks if an error or unreasonable delay occurs;**
- VII. Roll out new products and programs with Distributor input and planning;**
- VIII. Implement changes in the Rewards Plan or Policies and Procedures that affect the Distributor with input from the Distributors;**
- IX. Support, protect, and defend the integrity of the LifeEssence Business Opportunity;**
- X. Offer Distributors an opportunity to grow with LifeEssence with such growth guided by the principles of Servant Leadership.**

**B. In return, LifeEssence expects that its Distributors will:**

- I. Conduct themselves in a professional, honest, and considerate manner;**
- II. Present LifeEssence Corporate and product information in an accurate and professional manner;**

- III. **Present the Rewards Plan and Return Policy in a complete and accurate manner;**
- IV. **Not make exaggerated income claims;**
- V. **Make reasonable effort(s) to support and train Distributors and Customers in their downline;**
- VI. **Not engage in cross-line recruiting, unhealthy competition, or unethical business practices;**
- VII. **Provide positive guidance and training to Distributors and Customers in their downline while exercising caution to avoid interference with other downlines. As such, a Distributor is discouraged from providing cross-line training to a Distributor or Customer in a different organization without first obtaining consent of the Distributor's or Customer's upline leader;**
- VIII. **Support, protect, and defend the integrity of the LifeEssence Business Opportunity;**
- IX. **Accurately complete and submit the Distributor Agreement and any requested supporting documentation in a timely manner.**

#### **1.2 LifeEssence Policies and Rewards Plan Incorporated into the Distributor Agreement**

- A. **Throughout these Policies, when the term "Agreement" is used, it collectively refers to the LifeEssence Agreement, these Policies and Procedures, and the LifeEssence Rewards Plan.**
- B. **It is the responsibility of the Sponsoring Distributor to provide the most current version of these Policies and Procedures (available on the website, [www.essencebt.com.au](http://www.essencebt.com.au)) and the LifeEssence Rewards Plan to each applicant prior to his, her and/or its execution of a Distributor Agreement.**

#### **1.3 Purpose of Policies**

- A. **LifeEssence is a direct sales company that markets products and services through a network of sales representatives. To clearly define the relationship that exists between Distributors and LifeEssence, and to explicitly set a standard for acceptable business conduct, LifeEssence has established these Policies and Procedures.**
- B. **LifeEssence Distributors are required to comply with: (i) all of the Terms and Conditions set forth in the Distributor Agreement, which LifeEssence may amend from time to time in its sole discretion without prior notification to any Distributor; (ii) all federal, state, and/or local laws governing his, her and/or its LifeEssence business; and (iii) these Policies and Procedures.**

- C. LifeEssence Distributors must review the information in these Policies and Procedures carefully and regularly. Should a Distributor have any questions regarding a policy or rule, the Distributor is encouraged to seek an answer from their Sponsor or any other upline Distributor. If further clarification is needed the Distributor may contact LifeEssence Customer Service.

#### 1.4 Changes, Amendments, and Modifications

- A. Because federal, state, and local laws, as well as the business environment, periodically change, LifeEssence reserves the right to amend the Agreement (LifeEssence Agreement, these Policies and Procedures, and the LifeEssence Rewards Plan) and the prices in its LifeEssence Product Price List in its sole and absolute discretion and without prior notice. LifeEssence will post current Policies and Procedures, pricing, and other documents on the website so all Distributors have access to current Policies, information, and documents. *This provision does NOT apply to the arbitration clause found in Section 13, which can only be modified via mutual consent.*
- B. Any such amendment, change, or modification shall be effective immediately.

#### 1.5 Delays

LifeEssence shall not be responsible for delays or failures in performance of its obligations when such failure is due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, transportation difficulties, riot, war, fire, and/or weather, curtailment of a source of supply, or government decrees or orders.

#### 1.6 Effective Date

These Policies and Procedures shall become effective when posted and, at such time, shall automatically supersede any prior Policies and Procedures (the “old Policies and Procedures”), and, on that date, the old Policies and Procedures shall cease to have any force or effect.

### 2.0 BASIC PRINCIPLES

#### 2.1 Becoming a LifeEssence Distributor

- A. To become a Distributor, an applicant must comply with the following requirements:
- I. Be of the age of majority (not a minor) in his or her state of residence;
  - II. Reside or have a valid address
  - III. Have a valid Tax File Number
  - IV. completed The Distributor Agreement

V. **Not be a LifeEssence employee, the Spouse of a LifeEssence employee or related to an employee of LifeEssence and living in the same household as such LifeEssence employee.**

## **2.2 New Distributor Registration**

- A. **A potential new Distributor may self-enroll on the Sponsor's website. In such event, LifeEssence will accept the web-enrollment and Distributor Agreement once the new Distributor has complete the enrollment successfully.**
- B. **LifeEssence reserves the right to require signed paperwork for any account, regardless of origin.**
- C. **If requested the signed Distributor Agreement must be received by LifeEssence within fourteen (14) days of LifeEssence's request.**
- D. **Signed documents, including, but not limited to, Distributor personal agreements, are legally binding contracts which must not be altered, tampered with or changed in any manner after they have been signed. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document has been signed may lead to sanctions, up to and including involuntary termination of the Distributor's Distributorship.**

## **2.3 Rights Granted**

- A. **LifeEssence hereby grants to the Distributor a non-exclusive right, based upon the Terms and Conditions contained in the Distributor Agreement and these Policies and Procedures, to:**
  - I. **Purchase LifeEssence products and services;**
  - II. **Promote and sell LifeEssence products and services; and**
  - III. **Sponsor new Distributors and Customers in the Australia and in countries where LifeEssence may become established after the effective date of these Policies and Procedures.**

## **2.4 Identification Numbers**

- A. **Each Distributor is required to provide his or her Tax File Number, if located in the Australia, to LifeEssence on the Distributor Agreement. LifeEssence reserves the right to withhold commission payments from any Distributor who fails to provide such information or who provides false information.**
- B. **Upon enrollment, LifeEssence will provide a LifeEssence Identification Number to the Distributor. This number will be used to place orders, structure organizations, and track commissions and bonuses.**

## **2.5 Renewals and Expiration of the Distributor Agreement**

- A. If the Distributor allows his or her Distributor Agreement to expire due to nonpayment, the Distributor will lose any and all rights to his, her or its downline organization unless the Distributor re-activates within sixty (60) days following the expiration of the Agreement.**
- B. If the former Distributor re-activates within the 60-day time limit, the Distributor will resume the rank and position held immediately prior to the expiration of the Distributor Agreement. However, such Distributor's paid as level will not be restored unless he, she and/or an entity qualifies at that payout level in the new month. The Distributor is not eligible to receive commissions for the time period that the Distributor's Distributorship was expired.**
- C. Any Distributor who was terminated or whose Agreement has expired and lapsed the 60-day grace period is not eligible to re-apply for a LifeEssence business for six (6) months following the expiration of the Distributor Agreement.**
- D. The downline of the expired Distributor will roll up to the immediate, active upline Sponsor.**

## **2.6 Business Entities**

- A. A corporation, partnership, or trust (collectively referred to as a "Business Entity") may apply to be a LifeEssence Distributor. This Distributor business and position will remain *temporary* until the proper documents are submitted. The Business Entity must submit one of the following documents: Certificate of Incorporation, Articles of Organization, Partnership Agreement or appropriate Trust documents. LifeEssence must receive these documents within fourteen (14) days from the date the enrollment submit successfully.**
- B. A LifeEssence Distributor may change their status under the same Sponsor from an individual to a partnership, corporation, trust or from one type of business entity to another.**

## **2.7 Independent Business Relationship; Indemnification for Actions**

- A. The LifeEssence Distributor is an independent contractor, and not a purchaser of a franchise or business opportunity. Therefore, each Distributor's success depends on his or her independent efforts.**
- B. The Agreement between LifeEssence and its Distributors does not create an employer/employee relationship, agency, partnership, or joint venture between LifeEssence and the Distributor.**
- C. The LifeEssence Distributor is fully responsible for all of his or her verbal and written communications made regarding LifeEssence products, services, and the Rewards Plan that are not expressly contained within official LifeEssence materials. Distributors shall indemnify and hold harmless LifeEssence, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by LifeEssence as a result of the Distributor's unauthorized representations or actions. This Provision shall survive the termination of**

- D. **the LifeEssence Distributor Agreement.**

## **2.8 Insurance**

- A. **Business Pursuits Coverage. LifeEssence encourages Distributors to arrange insurance coverage for their business. A homeowner's insurance policy does not cover business related injuries, or the theft of, or damage to, inventory or business equipment. LifeEssence Distributors need to contact their insurance agent to make certain their business property is protected. In most instances, this may be accomplished with a "Business Pursuit" endorsement to an existing homeowner's policy.**

## **2.9 Errors or Questions**

- A. **If a Distributor has questions about, or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, the Distributor must notify LifeEssence in writing within thirty (30) days of the date of the error or incident in question. Any such errors, omissions or problems not reported within 30 days shall be deemed waived by the Distributor.**

## **3.0 LIFEESSENCE DISTRIBUTOR RESPONSIBILITIES**

### **3.1 Correct Addresses**

- A. **It is the responsibility of the Distributor or Customer to make sure LifeEssence has the correct shipping address before any orders are shipped.**
- B. **A Distributor or Customer will need to allow up to thirty (30) days for processing after the notice of address change has been received by LifeEssence.**
- C. **A Distributor or Customer may be assessed a \$20 fee for returned shipments due to an incorrect shipping address.**

### **3.2 Training and Leadership**

- A. **Any LifeEssence Distributor who Sponsors another Distributor into LifeEssence must perform an authentic assistance and training function to ensure his or her downline is properly operating his or her LifeEssence business. Sponsoring Distributors should have ongoing contact and communication with the Distributors in their downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, contact, team calls, voicemail, email, personal meetings, accompaniment of downline Distributors to LifeEssence meetings, training sessions and any other related functions.**
- B. **A Sponsoring LifeEssence Distributor should monitor the Distributors in his or her downline organizations to ensure that downline Distributors do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, such Distributor should be able to provide documented evidence to LifeEssence of his or her**

- C. ongoing fulfillment of the responsibilities of a Sponsor.**
- D. Upline Distributors are encouraged to motivate and train new Distributors about LifeEssence's products and services, effective sales techniques, the LifeEssence Rewards Plan and compliance with company Policies and Procedures.**
- E. Marketing product is a required activity in LifeEssence and must be emphasized in all recruiting presentations.**
- F. We emphasize and encourage all Distributors to sell LifeEssence products and services to Customers.**
- G. Use of Sales Aids. To promote both the products and the opportunity LifeEssence offers, Distributors must use the sales aids and support materials produced by LifeEssence. If LifeEssence Distributors develop their own sales aids and promotional materials, which includes Internet advertising, notwithstanding Distributors' good intentions, they may unintentionally violate any number of statutes or regulations affecting the LifeEssence business. These violations, although they may be relatively few in numbers, could jeopardize the LifeEssence opportunity for all Distributors. Accordingly, Distributors must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. All Distributors shall safeguard and promote the good reputation of LifeEssence and its products. The marketing and promotion of LifeEssence, the LifeEssence opportunity, the Rewards Plan, and LifeEssence products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices. Any Distributor who engages in unethical business building practices is subject to disciplinary action by LifeEssence including commission fines and involuntary account termination.**

### **3.3 Constructive Criticism; Ethics**

- A. LifeEssence desires to provide its independent Distributors with the best products and services and Rewards Plan in the industry. Accordingly, LifeEssence values constructive criticism and encourages the submission of written comments addressed to LifeEssence Compliance department.**
- B. Negative and disparaging comments about LifeEssence, its products or Rewards Plan, by Distributors made to LifeEssence, in the Field or at LifeEssence meetings or events, or disruptive behavior at LifeEssence meetings or events, serve no purpose other than to dampen the enthusiasm of other LifeEssence Distributors. LifeEssence Distributors must not belittle LifeEssence, other LifeEssence Distributors, LifeEssence products or services, the Rewards Plan, or LifeEssence directors, officers, or employees, product suppliers or agents. Such conduct represents a material breach of these Policies and Procedures and may be subject to sanctions as deemed appropriate by LifeEssence.**
- C. LifeEssence endorses the following code of ethics:**
  - I. A LifeEssence Distributor must show fairness, tolerance, and respect to all people associated with LifeEssence, regardless of race, gender, social class or**

- II. religion, thereby fostering a “positive atmosphere” of teamwork, good morale and community spirit.
  - III. A Distributor shall strive to resolve business issues, including situations with upline and downline Distributors, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.
  - IV. LifeEssence Distributors must be honest, responsible, professional and conduct themselves with integrity.
  - V. LifeEssence Distributors shall not make disparaging statements about LifeEssence, other Distributors, LifeEssence employees, product suppliers or agents, products, services, sales and marketing campaigns, or the Rewards Plan, or make statements that unreasonably offend, mislead or coerce others.
- D. LifeEssence may take appropriate action against a Distributor if it determines, in its sole discretion, that a Distributor's conduct is detrimental, disruptive, or injurious to LifeEssence or to other Distributors.

### 3.4 Reporting Policy Violation

- A. A Distributor who observes a policy violation by another Distributor should submit a written and signed letter (email will not be accepted) of the violation directly to the LifeEssence Corporate Compliance department ([compliance@essencebt.com.au](mailto:compliance@essencebt.com.au)). The letter shall set forth the details of the incident as follows:
- I. The nature of the violation;
  - II. Specific facts to support the allegations;
  - III. Dates;
  - IV. Number of occurrences;
  - V. Persons involved; and
  - VI. Supporting documentation
- B. Once the matter has been presented to LifeEssence, it will be researched thoroughly by the Compliance department and appropriate action will be taken if required. Compliance investigations, findings, and discipline are confidential and the Compliance department is not required to disclose any information regarding investigation or disciplinary actions to anyone except for the Distributor(s) who may have corrective action taken against them by LifeEssence Compliance.
- C. This section refers to the general reporting of Policy violations as observed by other Distributors for the mutual effort to support, protect, and defend the integrity of the LifeEssence business and opportunity. If a Distributor has grievance or complaint against



- D. another Distributor which directly relates to his or her LifeEssence business, the Procedures set forth in these Policies must be followed.

### 3.5 Sponsorship

- A. The Sponsor is the person who introduces a Distributor or Customer to LifeEssence, helps them complete their enrollment, and supports and trains those in their downline.
- B. LifeEssence recognizes the Sponsor as the name(s) shown on the first:
  - I. Physically signed LifeEssence Distributor Agreement on file; or
  - II. Electronically signed Distributor Agreement from a website or a LifeEssence Distributors website.
- C. A Distributor Agreement that contains notations such as “by phone” or the signatures of other individuals (i.e., Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by LifeEssence.
- D. LifeEssence recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but LifeEssence will not allow Distributors to engage in unethical sponsoring activities.
- E. All active Distributors in good standing have the right to Sponsor and enroll others into LifeEssence. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Distributor will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first Distributor who presented a comprehensive introduction to LifeEssence products or business opportunity.
- F. A *Protected Prospect* is a guest of any LifeEssence Distributor or Customer who attended a LifeEssence event or conference call. For sixty (60) days following the event, a Protected Prospect cannot be solicited or sponsored by any other LifeEssence Distributor who attended the same event. A LifeEssence event can be defined as the following:
  - I. Any LifeEssence training session;
  - II. Conference call;
  - III. Fly-in meeting; or
  - IV. Presentation, including but not limited to a LifeEssence at home presentation, whether sponsored by LifeEssence, a Distributor, a Customer, or an agent or agency designated by LifeEssence.

### 3.6 Cross Sponsoring Prohibition

- A. “Cross sponsoring” is defined as the enrollment into a different line of sponsorship of an

- B. Individual, or Business Entity, that already has a signed Distributor Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by LifeEssence, sanctions up to and including termination of a Distributor's Distributorship may be imposed.**
- C. The use of a Spouse's or relative's name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, or fictitious ID numbers to evade or circumvent this Policy is not permitted.**
- D. This Policy does not prohibit the transfer of a LifeEssence business in accordance with LifeEssence Sale or Transfer Policy set forth in these Policies.**

### **3.7 Adherence to the LifeEssence Rewards Plan**

- A. A Distributor must adhere to the Terms of the LifeEssence Rewards Plan as set forth in these Policies and Procedures as well as in official LifeEssence literature. Deviation from the Rewards Plan is prohibited. LifeEssence reserves the right to, in its sole discretion, determine who goes on company Lifestyle Trips.**
- B. A Distributor shall not offer the LifeEssence opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official LifeEssence literature.**
- C. A Distributor shall not require or encourage a current or prospective Customer or Distributor to participate in LifeEssence in any manner that varies from the Rewards Plan as set forth in official LifeEssence literature. Purchase of product is not required to become a LifeEssence Distributor.**
- D. A Distributor shall not require or encourage a current or prospective Customer or Distributor to make a purchase from or payment to any individual or other entity as a condition to participating in the LifeEssence Rewards Plan, other than such purchases or payments required to naturally build their business.**

### **3.8 Adherence to Laws and Ordinances**

- A. Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to Distributors because of the nature of the business. However, Distributors must check their local laws and obey the laws that do apply to them.**
- B. A LifeEssence Distributor shall comply with all state, and local laws and regulations in their conduct of his or her LifeEssence business.**

### **3.9 Compliance with Applicable Income Tax Laws**

- A. A Distributor accepts sole responsibility for and agrees to pay all state, and local taxes on any income generated as an independent Distributor, and further agrees to indemnify LifeEssence from any failure to pay such tax amounts when due.**

- B. If a Distributor's business is tax exempt, the Tax file number must be provided to LifeEssence in writing.**
- C. LifeEssence encourages all Distributors to consult with a tax advisor for additional information for their business.**

### **3.10 One LifeEssence Business Per Distributor**

**A Distributor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) LifeEssence business. No individual may have, operate or receive compensation from more than one LifeEssence businesses. Individuals of the same family unit may each enter into or have an interest in their own separate LifeEssence businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A "family unit" is defined as Spouses and dependent children living at or doing business at the same address.**

### **3.11 Actions of Household Members or Affiliated Parties**

**If any member of a Distributor's immediate household engages in any activity which, if performed by the Distributor, would violate any provision of the Agreement, such activity will be deemed a violation by the Distributor and LifeEssence may take disciplinary action pursuant to these Policies and Procedures against the Distributor. Similarly, if any individual associated in any way with a corporation, partnership,, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and LifeEssence may take disciplinary action against the Business Entity. Likewise, if a Distributor enrolls in LifeEssence as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to, and must comply with, the Terms and Conditions of the Agreement.**

### **3.12 No Violation of Previous Agreement**

**You agree that you are not currently in material breach of, and will not during the term of this Agreement be in material breach of, any other contract, obligation, or covenant that would affect your ability to perform hereunder, and as a result of entering into this Agreement, will not materially breach any contract, obligation or covenant (such as a covenant not to compete located in a prior agreement).**

### **3.13 Solicitation for Other Companies or Products**

- A. A LifeEssence Distributor may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities. However, during the Term of this Agreement and for one (1) year thereafter, a LifeEssence Distributor may not recruit any LifeEssence Distributor or Customer for any other direct sales or network marketing business, unless that Distributor or Customer was personally sponsored by such Distributor.**
- B. The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Distributor or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Distributor's actions are in response to an inquiry**

- C. Made by another Distributor or Customer.**
- D. During the term of this Agreement and for a period of six(6) months thereafter, any LifeEssence Distributor must not sell, or entice others to sell, any competing products or services, including training materials, to LifeEssence Customers or Distributors. Any product or service in the same category as a LifeEssence product or service is deemed to be competing (i.e., any competing product or service regardless of differences in cost or quality. This provision does not apply where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas, and beauty salons).**
- E. However, a Distributor may sell non-competing products or services to LifeEssence Customers and Distributors that they personally sponsored.**
- F. A Distributor may not display or bundle LifeEssence products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Distributor into believing there is a relationship between the LifeEssence and non-LifeEssence products and services.**
- G. A LifeEssence Distributor may not offer any non-LifeEssence opportunity, products or services at any LifeEssence related meeting, seminar or convention, or immediately following a LifeEssence event.**
- H. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between LifeEssence and its Distributors and would inflict irreparable harm on LifeEssence. In such event, LifeEssence may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Distributor or such Distributor's Distributorships including termination, or seek immediate injunctive relief without the necessity of posting a bond.**

### **3.14 Presentation of the LifeEssence Opportunity**

- A. In presenting the LifeEssence opportunity to potential Customers and Distributors, a Distributor is required to comply with the following provisions:**
  - I. A Distributor shall not misquote or omit any significant material fact about the Rewards Plan.**
  - II. A Distributor shall make it clear that the Rewards Plan is based upon sales of LifeEssence products and services and upon the sponsoring of other Distributors.**
  - III. A Distributor shall make it clear that success can be achieved only through substantial independent efforts.**
  - IV. A LifeEssence Distributor shall not make unauthorized income projections, claims, or guarantees while presenting or discussing the LifeEssence opportunity or Rewards Plan to prospective Distributors or Customers.**

- V. **A Distributor may not make any claims regarding products or services of any products offered by LifeEssence, except those contained in official LifeEssence literature.**
- VI. **A Distributor may not use official LifeEssence material to promote the LifeEssence business opportunity in any country where LifeEssence has not established a “presence.”**

### 3.15 Sales Requirements Are Governed by the Rewards Plan

- A. **LifeEssence Distributors may purchase LifeEssence products and then re-sell them at any price they choose unless otherwise specified by LifeEssence or by any/its product suppliers on a per product basis. LifeEssence will provide suggested selling prices. There are no exclusive territories granted to anyone. No franchise fees are applicable to a LifeEssence business.**
- B. **The LifeEssence program is built on sales to the ultimate consumer. LifeEssence encourages its Distributors to only purchase inventory that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Distributors must never attempt to influence any other Distributor to buy more products than they can reasonably use or sell to retail Customers in a month.**
- C. **Each LifeEssence Distributor commits to personally use, sell, or use in business building at least 70% of every order placed with the Company prior to placing another order, and must be able to certify to such if demanded by the Company or by any regulatory agency.**  
*Purchasing product solely for the purpose of collecting bonuses or achieving rank is prohibited. LifeEssence retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.*

## 4.0 ORDERING

### 4.1 CANCELTION POLICY

- A. **Distributors who wish to cancel an order before it has shipped must contact LifeEssence Distributor Support by Email [support@essencebt.com.au](mailto:support@essencebt.com.au), or by calling support at 1800 270 777. LifeEssence can only cancel orders before the order ships.**

### 4.2 General Order Policies

- A. **“Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes; (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or Business Entities; (b) the fraudulent enrollment of an individual or entity as a Distributor or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Distributors or Customers (“phantoms”); (d) purchasing LifeEssence products or services on behalf of another Distributor or Customer, or under**

another Distributor's or Customer's ID number, to qualify for commissions or bonuses; (e)

purchasing excessive amounts of products or services that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

A Distributor shall not use another Distributor's or Customer's credit card or debit checking account to enroll in LifeEssence or purchase products or services without the account holder's *written permission*. Such documentation must be kept by the Distributor indefinitely in case LifeEssence needs to reference this.

- B. Regarding an order with an invalid or incorrect payment, LifeEssence will attempt to contact the Distributor by phone, mail or email in order to obtain another form of payment. If these attempts are unsuccessful after ten (10) business days, the order will be canceled.
- C. If a Distributor wants to move an order to another Distributor's position, he or she must have prior authorization, of all parties involved. LifeEssence will charge the Distributor a \$20 fee for processing.
- D. Prices are subject to change without notice.
- E. A Distributor or Customer who is a recipient of a damaged or incorrect order must notify LifeEssence within thirty (30) calendar days from receipt of the order and follow the Procedures as set forth in these Policies.

#### 4.3 Sales Tax Obligation

- A. The Distributor shall comply with all local taxes and regulations governing the sale of LifeEssence products and services.
- B. LifeEssence encourages each Distributor to consult with a tax advisor for additional information for his or her business.

#### 4.4 Shipping Policy

- A. LifeEssence will ensure all orders will be shipped by the end of the next business day the order was placed. If you have additional questions regarding shipping, please contact LifeEssence Support.
  - a. Standard Shipping: your order will be delivered an average of 2-5 business days.
  - b. International Shipping: International orders may be delayed due to additional cardholder verification that may be required. Shipments to addresses other than credit cardholder's billing address may incur additional delays.
  - c. All other shipping options will arrive within 7-14 business days.

## **5.0 PAYMENT OF COMMISSIONS & BONUSES**

### **5.1 Bonus and Commission Qualifications**

- A. A Distributor must be active and in compliance with LifeEssence Policies and Procedures to qualify for bonuses and commissions. So long as a Distributor complies with the current Terms of the Agreement, LifeEssence shall pay commissions to such Distributor in accordance with the current Rewards Plan.**
- B. LifeEssence reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$10.**

### **5.2 Computation of Commissions and Discrepancies**

- A. In order to qualify to receive commissions and bonuses, a Distributor must be in good standing and comply with the Terms of the Agreement and these Policies and Procedures. Commissions, bonuses, overrides, and achievement levels are calculated each month.**
- B. A LifeEssence Distributor must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After the 30-day "grace period" no additional requests will be considered for commission recalculations.**
- C. For additional information on payment of commissions, please review the Rewards Plan.**

### **5.3 Adjustments to Bonuses and Commissions for Returned Products or Distributor Memberships.**

- A. A Distributor receives bonuses and commissions based on the actual sales of products and services to end consumers and to Distributors through product and service purchases. When a product or service is returned to LifeEssence for a refund from the end consumer or by a Distributor, the bonuses and commissions attributable to the returned product or service will be deducted from the Distributor who received bonuses or commissions on such sales.**
- B. In the event that a Distributor terminates his or her Distributorship, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by LifeEssence, the remainder of the outstanding balance may be offset against any other amounts that may be owed by LifeEssence to the terminated Distributor.**

## **6.0 Return Policy and Process**

### **Product Satisfaction Guarantee**

**0-7 Days: Product may be returned within 7 days after the original date of purchase (order date) for a full refund of the purchase price, excluding shipping.**

**International purchase is not refundable once the product is ship out.**

**\* Shipping costs associated with returning product are the responsibility of the customer/Distributor**

**returning the product. Any commissions and bonuses earned on the returned products will be deducted from the refund amount on all return transactions. Returned product may impact bonuses and commissions paid to the upline/sponsor. Distributor must be in good standing.**

**A. All returns, whether by a Customer, or Distributor, must be made as follows:**

- I. Ship items to the address provided by LifeEssence Customer service;**
- II. Provide a copy of the invoice with the returned products or service. Such invoice must reference the RMA and include the reason for the return.**

**B. All returns must be shipped to LifeEssence, If returned product is not received at LifeEssence Center, it is the responsibility of the Customer, or Distributor to trace the shipment and no credit will be applied.**

## **7.0 PRIVACY POLICY**

### **7.1 Introduction**

**This Privacy Policy is to ensure that all Customers and Distributors understand and adhere to the basic principles of confidentiality.**

### **7.2 Expectation of Privacy**

- A. LifeEssence recognizes and respects the importance its Customers and Distributors place on the privacy of their financial and personal information. LifeEssence will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of its Customers' and Distributors' financial and account information and nonpublic personal information.**
- B. By entering into the Distributor Agreement, a Distributor authorizes LifeEssence to disclose his or her name and contact information to upline Distributors solely for activities related to the furtherance of the LifeEssence business. A Distributor hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her downline organization and conducting the LifeEssence business.**

### **7.3 Employee Access to Information**

**LifeEssence limits the number of employees who have access to Customer's and Distributors' nonpublic personal information.**

### **7.4 Restrictions on the Disclosure of Account Information**



- A. LifeEssence will not share non-public personal information or financial information about current or former Customers or Distributors with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers' or Distributors' interests or to enforce its rights or obligations under these Policies and Procedures, or Distributor's Agreement or with written permission from the accountholder on file.**

## **8.0 PROPRIETARY INFORMATION AND TRADE SECRETS**

### **8.1 Business Reports, Lists, and Proprietary Information**

- A. By completing and signing the LifeEssence Distributor Agreement, the Distributor acknowledges that Business Reports, lists of Customer and Distributor names and contact information and any other information, which contain financial, scientific or other information both written or otherwise circulated by LifeEssence pertaining to the business of LifeEssence (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to LifeEssence.**

### **8.2 Obligation of Confidentiality**

- A. During the Term of the LifeEssence Distributor Agreement and for a period of five (5) years after the termination or expiration of the Distributor Agreement between the Distributor and LifeEssence, the Distributor shall not:**
  - I. Use the information in the Reports to compete with LifeEssence or for any purpose other than promoting his or her LifeEssence business;**
  - II. Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.**

### **8.3 Breach and Remedies**

- A. The Distributor acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to LifeEssence and to independent LifeEssence businesses. LifeEssence and its Distributors will be entitled to injunctive relief or to recover damages against any Distributor who violates this provision in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of attorney's fees, court costs, and expenses.**

### **8.4 Return of Materials**

- A. Upon demand by LifeEssence, any current or former Distributor will return the original and all copies of all "Reports" to LifeEssence together with any LifeEssence confidential**

information in such person's possession.

## 9.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS

### 9.1 Labeling, Packaging, and Displaying Products

- A. A LifeEssence Distributor may not re-label, re-package, refill, or alter labels of any LifeEssence product, or service, information, materials or program(s) in any way. LifeEssence products and services must only be sold in their original containers from LifeEssence. Such re-labeling or re- packaging violates federal and state laws, which may result in criminal or civil penalties or liability.
- B. A LifeEssence Distributor shall not cause any LifeEssence product or service or any LifeEssence trade name to be sold or displayed in retail establishments except:
  - I. Where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas and beauty salons);
  - II. Where the retail establishment is owned or managed by the Distributor and the store does not exceed \$1 million in annual gross revenue, and there are five (5) or fewer stores under common ownership of management.
- C. LifeEssence will permit Distributors to solicit and make Commercial Sales upon *prior written approval* from LifeEssence. For the purpose of these Policies and Procedures, the term "Commercial Sale" means the sale of:
  - I. LifeEssence products that equal or exceed \$5,000 in a single order;
  - II. Products sold to a third party who intends to resell the products to an end consumer.
- D. A Distributor may sell LifeEssence products and services and display the LifeEssence trade name at any appropriate display booth (such as trade shows) upon *prior written approval* from LifeEssence.
- E. LifeEssence reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the LifeEssence opportunity.

### 9.2 Use of Company Names and Protected Materials

- A. A LifeEssence Distributor must safeguard and promote the good reputation of LifeEssence and the products and services it markets. The marketing and promotion of LifeEssence, the LifeEssence opportunity, the Rewards Plan, and LifeEssence products and services will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.

- B. All promotional materials supplied or created by LifeEssence must be used in their original form and cannot be changed, amended or altered except with prior written approval from the LifeEssence Compliance department.**
- C. The name of LifeEssence, each of its product and service names and other names that have been adopted by LifeEssence in connection with its business are proprietary trade names, trademarks and service marks of LifeEssence. As such, these marks are of great value to LifeEssence and are supplied to Distributors for their use only in an expressly authorized manner.**
- D. A LifeEssence Distributor's use of the name "LifeEssence" is restricted to protect LifeEssence proprietary rights, ensuring that the LifeEssence protected names will not be lost or compromised by unauthorized use. Use of the LifeEssence name on any item not produced by LifeEssence is prohibited except as follows:**
  - I. [Distributor's name] Independent LifeEssence Distributor**
  - II. [Distributor's name] Independent Distributor of LifeEssence products and services.**
- E. Further procedures relating to the use of the LifeEssence name are as follows:**
  - I. All stationary (i.e., letterhead, envelopes, and business cards) bearing the LifeEssence name or logo intended for use by the Distributor must be approved in writing by the LifeEssence Compliance department.**
  - II. LifeEssence Distributors may list "Independent LifeEssence Distributor or Distributor" in the white pages of the telephone directory under his or her own name.**
  - III. LifeEssence Distributors may not use the name LifeEssence or LifeEssence in answering his or her telephone, creating a voice message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, "Independent LifeEssence Distributor."**
- F. Certain photos and graphic images used by LifeEssence in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to Distributors. If a Distributor wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.**
- G. A LifeEssence Distributor shall not appear on or make use of television or radio, or make use of any other media to promote or discuss LifeEssence or its programs, products or services without prior written permission from the LifeEssence Compliance department.**
- H. A Distributor may not produce for sale or distribution any Company event or speech, nor may a Distributor reproduce LifeEssence audio or video clips for sale or for personal use without prior written permission from the LifeEssence Compliance department.**
- I. LifeEssence reserves the right to rescind its prior approval of any sales aid or promotional**

- J. **Material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Distributor.**
- K. **A Distributor shall not promote non-LifeEssence products or services in conjunction with LifeEssence products or services on the same websites or same advertisement without prior approval from LifeEssence Compliance.**
- L. **Claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by LifeEssence may not be made except those contained in official LifeEssence literature. In particular, no Distributor may make any claim that LifeEssence products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate LifeEssence policies, but also, they potentially violate state laws and regulations, including the TGA and ACCC.**

### 9.3 Email - Limitations

- A. **Except as provided in this section, a Distributor may not use or transmit unsolicited email, mass email distribution, or “spamming” that advertises or promotes the operation of his or her LifeEssence business. The exceptions are:**
  - I. **Emailing any person who has given prior permission or invitation;**
  - II. **Emailing any person with whom the Distributor has established a prior business or personal relationship.**
- B. **All email or computer broadcasted documents subject to this provision shall include each of the following:**
  - I. **A clear and obvious identification that the email message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;**
  - II. **A clear return path or routing information;**
  - III. **The use of legal and proper domain name;**
  - IV. **A clear and obvious notice of the opportunity to decline to receive further commercial email messages from the sender;**
  - V. **Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;**
  - VI. **The true and correct name of the sender, valid senders email address, and a valid sender physical address;**
  - VII. **The date and time of the transmission;**

- VIII. Upon notification by recipient of his or her request not to receive further emailed documents, a LifeEssence Distributor shall not transmit any further documents to that recipient.
- C. All email or computer broadcasted documents subject to this provision shall not include any of the following:
  - I. Use of any third-party domain name without permission;
  - II. Sexually explicit materials.

#### 9.4 Internet and Third-Party Website Restrictions

- A. A Distributor may not use or attempt to register any of LifeEssence trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company's name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, email addresses, web pages, or blogs.
- B. A LifeEssence Distributor may not sell LifeEssence products, services or offer the Business Opportunity using "online store".
- C. LifeEssence products may not be displayed with other products or services.
- D. Social media sites may not be used to sell or offer to sell LifeEssence products or services. PROFILES A DISTRIBUTOR GENERATES IN ANY SOCIAL COMMUNITY WHERE LIFEESSENCE IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE DISTRIBUTOR AS A LIFEESSENCE DISTRIBUTOR, and when a Distributor participates in those communities, Distributors must avoid inappropriate conversations, comments, images, video, audio, applications, or any other adult, profane, discriminatory, or vulgar content. The determination of what is inappropriate is at the sole discretion of LifeEssence, and offending Distributors will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the LifeEssence approved library and be produced only by LifeEssence-approved vendors. If a link is provided, it must link to the posting Distributor's replicated website.
- E. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Distributors will be subject to disciplinary action.
- F. Distributors may not use blog spam, spamdexing, or any other mass-replicated methods to leave blog comments. Comments Distributors create or leave must be useful, unique, relevant, and specific to the blog's article.
- G. Distributors must disclose their full name on all Social Media postings, and conspicuously identify themselves as an independent Distributor for LifeEssence. Anonymous postings or use of an alias is prohibited.
- H. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited

to, false or deceptive postings relating to the LifeEssence income opportunity, LifeEssence's products and services, and/or your biographical information and credentials.

- I. Distributors are personally responsible for their postings and all other online activity that relates to LifeEssence. Therefore, even if a Distributor does not own or operate a blog or Social Media site, if a Distributor posts to any such site that relates to LifeEssence or which can be traced to LifeEssence, the Distributor is responsible for the posting. Distributors are also responsible for postings which occur on any blog or Social Media site that the Distributor owns, operates, or controls.
- J. As a LifeEssence Distributor, it is important to not converse with any person who places a negative post against you, other Distributors, or LifeEssence. Report negative posts to LifeEssence at [compliance@essencebt.com.au](mailto:compliance@essencebt.com.au). Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as LifeEssence, and therefore damages the reputation and goodwill of LifeEssence.
- K. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, LifeEssence therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require that Distributors using, or who wish to use, such sites adhere to the LifeEssence policies relating to third-party websites.
- L. If your LifeEssence business is canceled for any reason, you must discontinue using the LifeEssence name, and all LifeEssence trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an independent LifeEssence Distributor, you must conspicuously disclose that you are no longer an independent LifeEssence Distributor.
- M. Failure to comply with these Policies for conducting business online may result in the Distributor losing their right to advertise and market LifeEssence products, services and LifeEssence's business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.

## 9.5 Advertising and Promotional Materials

- A. You may not advertise any LifeEssence products or services at a price LESS than the highest company published, established retail price of ONE offering of the LifeEssence product or service plus shipping, handling and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the Company.
- B. Advertising and all forms of communications must adhere to principles of honesty and propriety.

- C. All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the LifeEssence Compliance department.
- D. All requests for approvals with respect to advertising must be directed in writing to the LifeEssence Compliance department.
- E. Blind ads are not permitted.

#### 9.6 Testimonial Permission

- A. By signing the LifeEssence Distributor Agreement, a Distributor gives LifeEssence permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio and video. In consideration of being allowed to participate in the LifeEssence Business Opportunity, a Distributor waives any right to be compensated for the use of his or her testimonial or image and likeness even though LifeEssence may be paid for items or sales materials containing such image and likeness. In some cases, a Distributor's testimonial may appear in another Distributor's advertising materials.

### 10.0 INTERNATIONAL MARKETING

#### 10.1 International Marketing Policy

- A. A LifeEssence Distributor is authorized to sell LifeEssence products and services, to Customers and Distributors only in the countries in which LifeEssence is authorized to conduct business, according to the Policies and Procedures of each country. LifeEssence Distributors may not sell products or services in any country where LifeEssence products and services have not received applicable government authorization or approval.
- B. A Distributor may not, in any unauthorized country, conduct sales, enrollment or training meetings, enroll or attempt to enroll potential Customers, or Distributors, nor conduct any other activity for the purpose of selling LifeEssence products and services, establishing a sales organization, or promoting the LifeEssence business opportunity.

### 11.0 CHANGES TO A DISTRIBUTOR BUSINESS

#### 11.1 Modification of the Distributor Agreement

- A. A LifeEssence Distributor may modify his or her existing Distributor Agreement by submitting a written request, accompanied by a new Distributor Agreement and the Business Registration Form, if applicable, completed with fresh signatures (not a "crossed out" or

**“white-out” version of the first Agreement), and any appropriate supporting documentation.**

## **11.2 Change Sponsor or Placement for Active Distributors**

- A. Maintaining the integrity of the organizational structure is mandatory for the success of LifeEssence and our independent Distributors. As such, under exceptional circumstances at the discretion of the Company, a request to change placement may only be made within the first three (3) days of initial enrollment as a Distributor. Furthermore, such changes may only occur within the same organization.**
- B. Sponsors may make “Placement changes” from one Distributor to another for personally Sponsored (frontline) Distributors during the first three (3) days of enrollment.**
- C. New Distributors or their original Sponsor may request a change of Sponsor or Placement within the first three (3) days of enrollment for the purpose of structuring an organization. The new Distributor Agreement must be received within the calendar month for commission calculations to be effective with the requested change.**
- D. To change or correct the Sponsor, a Distributor must comply with following procedures:**
  - I. Submit a Sponsor Placement Transfer Application;**
  - II. Submit a LifeEssence Distributor Agreement showing the correct Sponsor and Placement, and any appropriate supporting documentation;**
  - III. The Distributor Agreement must be a new, completed document bearing “fresh” signatures, not a “crossed-out” or “white-out” version of the first Agreement.**
- E. Upon approval, the Distributor’s downline, if any, will transfer with the Distributor.**
- F. If one transfer has already been made a \$20 fee will be assessed for the second and for each transfer thereafter.**
- G. After the first three (3) days from initial enrollment, LifeEssence will honor the Sponsor/Placement as shown:**
  - I. On the most recently signed Distributor Agreement on file; or**
  - II. Self-enrolled on the website.**
- H. LifeEssence retains the right to approve or deny any requests to change Sponsor or Placement and to correct any errors related thereto at any time and in whatever manner it deems necessary.**

## **11.3 Change Sponsor or Placement for Inactive Distributors**

- A. At the discretion of LifeEssence, Distributors who did not participate in an auto ship or have not ordered products or services for at least six (6) months, and who have not tendered a**



letter of resignation, are eligible to re-enroll in LifeEssence under the Sponsor/Placement of their choice.

- B. Upon written notice to LifeEssence that a former Distributor wishes to re-enroll, LifeEssence will “compress” (close) the original account. A new LifeEssence ID number will then be issued to the former Distributor.**
- C. Such Distributor does not retain former rank, downline, or rights to commission checks from his or her former organizations.**
- D. LifeEssence reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.**

#### **11.4 Change Organizations**

- A. If a LifeEssence Distributor wishes to transfer organizations, he or she must submit a letter of resignation to the LifeEssence Customer Service department and remain inactive with or in LifeEssence for six (6) months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.**
- B. LifeEssence retains the right to approve or deny any request to re-enroll after a Distributor's resignation.**
- C. If re-enrollment is approved, the former Distributor will be issued a new LifeEssence ID number and will be required to submit a new Distributor Agreement. The Distributor will not be entitled to keep any former rank, downline, or rights to commission checks from any prior organization.**
- D. Transfers may not be done outside of the original organization.**

#### **11.5 Unethical Sponsoring**

- A. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new Distributor from another Distributor or influencing another Distributor to transfer to a different sponsor.**
- B. Allegations of unethical sponsoring must be reported in writing to the LifeEssence Compliance department within the first 90 days of enrollment. If the reports are substantiated, LifeEssence may transfer the Distributor or the Distributor's downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement Distributors. LifeEssence remains the final authority in such cases.**
- C. LifeEssence prohibits the act of “Stacking.” Stacking is the unauthorized manipulation of the LifeEssence compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Distributor in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline without his or her knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures**

up to and including the termination of the independent consultant positions of all individuals and/or entities found to be directly involved.

- D. Should Distributors engage in solicitation and/or enticement of members of another direct sales company to sell or distribute LifeEssence products and services to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Distributor alleging that they engaged in inappropriate recruiting activity of another company's sales force or Customers, LifeEssence will not pay any of Distributor's defence costs or legal fees, nor will LifeEssence indemnify the Distributor for any judgment, award, or settlement.

#### 11.6 Sell, Assign, or Delegate Ownership

- A. In order to preserve the integrity of the hierarchical structure, it is necessary for LifeEssence to place restrictions on the transfer, assignment, or sale of a Distributorship.
- B. A LifeEssence Distributor may not sell or assign his or her rights or delegate his or her position as a Distributor without achieving the rank of Ruby or higher. A LifeEssence Distributor who has reached the rank of Ruby or higher must obtain *prior written approval* by LifeEssence, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of LifeEssence.
- C. Should the sale be approved by LifeEssence, the Buyer assumes the position of the Seller at the current qualified title, but at the current rank, at the time of the sale and acquires the Seller's Downline.
- D. To request corporate authorization for a sale or transfer of a LifeEssence Distributorship, the following items must be submitted to the LifeEssence Compliance department;
  - I. A Sale/Transfer of Distributorship Form properly completed, with the requisite signatures.
  - II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.
  - III. A LifeEssence Distributor Agreement completed and signed by the Buyer;
  - IV. Payment of the \$100 administration fee;
  - V. Any additional supporting documentation requested by LifeEssence.
- E. Any debt obligations that either Seller or Buyer may have with LifeEssence must be satisfied prior to the approval of the sale or transfer by LifeEssence.
- F. A LifeEssence Distributor who sells his or her Distributorship is not eligible to re-enroll as a LifeEssence Distributor in any organization for six (6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

## **11.7 Succession**

- A. Upon the death or incapacity of a Distributor, the Distributor's business may be passed on to his or her legal successors in interest (successor). Whenever a LifeEssence business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Distributor's sales organization. The successor must:**
  - I. Complete and sign a new LifeEssence Distributor Agreement;**
  - II. Comply with the Terms and provisions of the Distributor Agreement; and**
  - III. Meet all the qualifications for the last rank achieved by the former Distributor.**
- B. Bonus and commission checks of a LifeEssence business transferred based on this section will be paid in a single check to the successor. The successor must provide LifeEssence with an "address of record" to which all bonus and commission Payments will be sent. Payments will be based on the current performance of the Distributorship, not the highest rank or volume achieved.**
- C. If the business is bequeathed to joint devisees (successors), they must form a business entity and acquire a Tax file number.**
- D. Appropriate legal documentation must be submitted to LifeEssence Compliance department to ensure the transfer is done properly. To affect a testamentary transfer of a LifeEssence business, the successor must provide the following to LifeEssence Compliance department:**
  - I. A certified copy of the death certificate; and**
  - II. A notarized copy of the will or other appropriate legal documentation establishing the successor's right to the LifeEssence business.**
- E. To complete a transfer of the LifeEssence business because of incapacity, the successor must provide the following to the LifeEssence Compliance department:**
  - I. A notarized copy of an appointment as trustee;**
  - II. A notarized copy of the trust document or other appropriate legal documentation establishing the trustee's right to administer the LifeEssence business; and**
  - III. A completed Distributor Agreement executed by the trustee.**
- F. If the successor is already an existing Distributor, LifeEssence will allow such Distributor to keep his or her own Distributorship plus the inherited Distributorship active for up to six (6) months. By the end of the 6-month period, the Distributor must have compressed (if applicable), sold or otherwise transferred either the existing Distributorship or the inherited Distributorship.**

- G. If the successor wishes to terminate the LifeEssence Distributorship, he or she must submit a notarized statement stating the desire to terminate the Distributorship, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- H. Upon written request, LifeEssence may grant a one (1) month bereavement waiver and pay out at the last “paid as” rank.

#### 11.8 Resignation/Voluntary Termination

- A. A Distributor may immediately terminate his or her Distributorship by submitting a written notice or email to the LifeEssence Compliance department at [compliance@essencebt.com.au](mailto:compliance@essencebt.com.au). The written notice must include the following:
  - I. The Distributor’s intent to resign;
  - II. Date of resignation;
  - III. LifeEssence Identification Number;
  - IV. Reason for resigning; and
  - V. Signature.
- B. A LifeEssence Distributor may not use resignation as a way to immediately change Sponsor and Placement. Instead, the Distributor who has voluntarily resigned is not eligible to reapply for a Distributorship or have any financial interest in a or any LifeEssence business for six (6) months from the receipt of the written notice of resignation.

#### 11.9 Involuntary Termination

- A. LifeEssence reserves the right to terminate a Distributor’s Distributorship for, but not limited to, the following reasons:
  - I. Violation of any Terms or Conditions of the Distributor Agreement;
  - II. Violation of any provision in these Policies and Procedures;
  - III. Violation of any provision in the Rewards Plan;
  - IV. Violation of any applicable law, ordinance, or regulation regarding the LifeEssence business;
  - V. Engaging in unethical business practices or violating standards of fair dealing; or
  - VI. Returning over \$500 worth of products, services and/or sales tools for a refund within a twelve (12) month period.

- B. LifeEssence will notify the Distributor in writing *by email*, at his or her last email address on file for the account of its intent to terminate the Distributor's Distributorship and the reasons for termination. The Distributor will have fifteen (15) calendar days from the date of email notification of such notice to respond in writing to the allegations or claims constituting cause for termination as stated in the notice. LifeEssence will then have thirty (30) calendar days from the date of receipt of the Distributor's response to render a final decision as to termination.
- C. If a decision is made by LifeEssence to terminate the Distributor's Distributorship, LifeEssence will inform the Distributor in writing that the Distributorship is terminated effective as of the date of the written notification. The Distributor will then have fifteen (15) calendar days from the date of mailing of such notice to appeal the termination in writing. LifeEssence must receive the Distributor's written appeal within twenty (20) calendar days of the date of the LifeEssence termination letter. If the written appeal is not received within this time period, the termination will be considered final.
- D. If the Distributor does file a timely appeal of termination, LifeEssence will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the Distributor of its decision. The decision of LifeEssence is then considered final and not subject to further review.
- E. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by LifeEssence. The former Distributor shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any LifeEssence products or services. The organization of the terminated Distributor will "roll up" to the active Upline Sponsor on record.
- F. The LifeEssence Distributor who is involuntarily terminated by LifeEssence may not reapply for a Distributorship, either under his or her present name or any other name or entity, *without the express written consent of an officer of LifeEssence*, **following** a review by the LifeEssence Compliance Committee. In any event, such Distributor may not re-apply for a Distributorship for six (6) months from the date of termination.

#### 11.10 Effect of Cancellation

- A. Following a Distributor's cancellation for inactivity or voluntary or involuntary termination (collectively, a "cancellation") such Distributor:
  - I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Distributor's former organization or any other payments in association with the Distributor's former independent Distributorship;
  - II. Effectively waives any and all claims to property rights or any interest in or to the Distributor's former Downline organization;
  - III. Shall receive commissions and bonuses only for the last full pay period in which he or she was active prior to cancellation, less any amounts withheld during an investigation preceding an involuntary cancellation, and less any amounts owed to LifeEssence.

## 12.0 DISCIPLINARY SANCTIONS

### 12.1 Imposition of Disciplinary Action – Purpose

- A. It is the spirit of LifeEssence that integrity and fairness should pervade among its Distributors, thereby providing everyone with an equal opportunity to build a successful business. Therefore, LifeEssence reserves the right to impose disciplinary sanctions at any time, when it has determined that a Distributor has violated the Agreement or any of these Policies and Procedures or the Rewards Plan as they may be amended from time to time by LifeEssence.**

### 12.2 Consequences and Remedies of Breach

- A. Disciplinary actions may include one or more of the following:**
- I. Monitoring a Distributor's conduct over a specified period of time to assure compliance;**
  - II. Issuance of a written warning or requiring the Distributor to take immediate corrective action;**
  - III. Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments ("Commission Hold") until the matter causing the Commission Hold is resolved or until LifeEssence receives adequate additional assurances from the Distributor to ensure future compliance;**
  - IV. Suspension from participation in Company or Distributor events, rewards, or recognition;**
  - V. LifeEssence reserves the right to, in its sole discretion, determine who goes on company Lifestyle Trips (also known as incentive trips or rewards trips);**
  - VI. Suspension of the LifeEssence Distributor Agreement and Distributorship for one or more pay periods;**
  - VII. Involuntary termination of the Distributor's Agreement and Distributorship;**
  - VIII. Any other measure which LifeEssence deems feasible and appropriate to justly resolve injuries caused by the Distributor's Policy violation or contractual breach;  
OR**
  - IX. Legal proceedings for monetary or equitable relief.**

## **13.0 DISPUTE RESOLUTION**

### **13.1 Grievances**

- A. If a LifeEssence Distributor has a grievance or complaint against another Distributor regarding any practice or conduct relating to their respective LifeEssence businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the LifeEssence Compliance department as outlined below in this Section.**
- B. The LifeEssence Compliance department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Distributors involved.**
- C. LifeEssence will confine its involvement to disputes regarding LifeEssence business matters only. LifeEssence will not decide issues that involve personality conflicts or unprofessional conduct by or between Distributors outside the context of a LifeEssence business. These issues go beyond the scope of LifeEssence and may not be used to justify a Sponsor or Placement change or a transfer to another LifeEssence organization.**
- D. LifeEssence does not consider, enforce, or mediate third party agreements between Distributors, nor does it provide names, funding, or advice for obtaining outside legal counsel.**
- E. Process for Grievances:**
  - I. The LifeEssence Distributor should submit a written letter of complaint (email will not be accepted) directly to the LifeEssence Compliance department. The letter shall set forth the details of the incident as follows:**
    - a. The nature of the violation;**
    - b. Specific facts to support the allegations;**
    - c. Dates;**
    - d. Number of occurrences;**
    - e. Persons involved; and**
    - f. Supporting documentation.**
  - II. Upon receipt of the written complaint, LifeEssence will conduct an investigation according to the following procedures:**
    - a. The Compliance department will send an acknowledgment of receipt to the complaining Distributor;**
    - b. The Compliance department will provide a verbal or written notice of the allegation to the Distributor under investigation. If a written notice is sent to the Distributor, he or she will have ten (10) business days from the date of the notification letter to present all information relating to the incident for review by LifeEssence**
    - c. The Compliance department will thoroughly investigate the complaint,**

consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case by case basis, and the length of time to reach a resolution will vary.

- d. During the course of the investigation, the Compliance department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. Distributor calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
- E. LifeEssence will make a final decision and timely notify the LifeEssence Distributors involved. The Compliance department is not required to disclose information regarding penalties or corrective action to anyone except the Distributor who LifeEssence Compliance educates, penalizes, terminates, or has their account or practices relating to LifeEssence investigated or reviewed by LifeEssence Compliance.

## 13.2 Arbitration

- A. Any controversy or claim arising out of or relating to the LifeEssence Distributor agreement, these Policies and Procedures, or the breach thereof, the Distributor’s business or any dispute between LifeEssence and the Distributor, shall be settled by binding and confidential arbitration administered by the Australian Arbitration Association under its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Any such arbitration shall be held in Sydney, NSW. There shall be one arbitrator, who shall have expertise in business law transactions and who shall be knowledgeable in the direct selling industry, selected from a panel provided by the Australian Arbitration Association.
- B. The prevailing party in any such arbitration shall be entitled to receive from the losing party, all costs and expenses of arbitration, including reasonable attorney’s fees and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to judgment in any court of competent jurisdiction.
- C. This agreement to arbitration shall survive any termination or expiration of the Distributor agreement.
- D. Nothing in these Policies and Procedures shall prevent LifeEssence from applying for or obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect LifeEssence interests or its Confidential Information prior to, during or following the filing of an arbitration or other proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.
- E. NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.



- F. These Policies and Procedures and any arbitration involving a Distributor and LifeEssence shall be governed by and construed in accordance with the laws of the state of NSW, without reference to its principles of conflict of laws.**

### **13.3 Severability**

- A. If any provision of these Policies and Procedures is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision never had comprised a part of these Policies and Procedures.**

### **13.4 Waiver**

- A. Only an officer of LifeEssence can, in writing, affect a waiver of the LifeEssence Policies and Procedures. LifeEssence's waiver of any particular breach by a Distributor shall not affect LifeEssence's rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Distributor.**
- B. The existence of any claim or cause of action of a Distributor against LifeEssence shall not constitute a defense to LifeEssence enforcement of any term or provision of these Policies and Procedures.**

### **13.5 Successors and Claims**

**The agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.**

## **14.0 GOVERNING LAW**

**These Policies and Procedures shall be governed by and construed in accordance with the Laws of the State of NSW and the exclusive jurisdiction of the Australian courts.**

## **15.0 LIFEESSENCE GLOSSARY OF TERMS**

**ACTIVE DISTRIBUTOR: A Distributor who satisfies the minimum volume requirements, as set forth in the Rewards Plan, to ensure that they are eligible to receive bonuses and commissions.**

**AGREEMENT: The contract between the Company and each Distributor; includes the Distributor Agreement, the LifeEssence Policies and Procedures, and the LifeEssence Rewards Plan, all in their current form and as amended by LifeEssence in its sole discretion. These documents are collectively referred to as the "Agreement."**

**CANCEL:** The termination of a Distributor's business. Cancellation may be either voluntary, involuntary, or through non-renewal.

**REWARDS PLAN:** The guidelines and referenced literature for describing how Distributors can generate commissions and bonuses.

**CUSTOMER:** A Customer who purchases LifeEssence products and does not engage in building a business or retailing product.

**DISTRIBUTOR:** An individual, who purchases product, generates retail sales and business building commissions.

**LINE OF SPONSORSHIP (LOS):** A report generated by LifeEssence that provides critical data relating to the identities of Distributors, sales information, and enrollment activity of each Distributor's organization. This report contains confidential and trade secret information which is proprietary to LifeEssence.

**ORGANIZATION:** The Customers and Distributors placed below a particular Distributor.

**OFFICIAL LIFEESSENCE MATERIAL:** Literature, audio or video tapes, and other materials developed, printed, published, and distributed by LifeEssence to Distributors.

**PLACEMENT:** Your position inside your Sponsor's organization.

**RECRUIT:** For purposes of the LifeEssence Conflict of Interest Policy, the term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another LifeEssence Distributor or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

**RESALABLE:** Products shall be deemed "resalable" if each of the following elements is satisfied: (i) they are unopened and unused; (ii) original packaging and labeling has not been altered or damaged; (iii) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and (iv) the product contains current LifeEssence labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

**SPONSOR:** A Distributor who enrolls a Customer, Retailer, or another Distributor into the Company, and is listed as the Sponsor on the Distributor Agreement. The act of enrolling others and training them to become Distributors is called "sponsoring."

**UPLINE:** This term refers to the Distributor or Distributors above a particular Distributor in a sponsorship line up to the Company. It is the line of sponsors that links any particular Distributor to the Company.