

## BUSINESS RULES

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## A. INTRODUCTION

As used in these Business Rules, the term “**Independent Consultant**” refers to an Independent Consultant of The Body Shop at Home US, LLC (“**TBSAH**”), the direct sales channel of its parent Buth-Na-Bodhaige, Inc.

## B. BECOMING AN INDEPENDENT CONSULTANT

1. **ELIGIBILITY AND ENROLLMENT**. To be eligible to become an Independent Consultant for The Body Shop At Home™, you must:
  - a. Be at least 18 years old and of full legal capacity;
  - b. Have a home address in the U.S.;
  - c. Be a U.S. citizen or have a valid work permit for the U.S.;
  - d. Have a valid social security number or individual taxpayer identification number, as applicable;
  - e. Have a U.S. bank account number;
  - f. Complete and submit an enrollment application and execute the Independent Consultant Agreement;
  - g. Review and accept our Business Rules, Privacy Policy, Code of Ethics, the Compensation Plan and other TBSAH documents, (collectively, with the Independent Consultant Agreement, the “**Policy Documents**”); and
  - h. Purchase a Beauty kit for \$79.00 USD containing over \$200.00 USD of The Body Shop At Home™ products, (the “**Products**”) which also contains orders forms to help you get your business started.
  - i. Not be a current employee of the parent company of TBSAH, namely Buth-Na-Bodhaige, Inc. d/b/a The Body Shop.
2. **CONFIRMATION PROCESS**. The Independent Consultant Agreement and related application are completed and submitted online. Once your application has been approved and you accept the terms of the Independent Consultant Agreement, you will create your unique login information. These login details will allow you access to the Independent Consultant portal called Business Hub, which is your personal business platform (i) to place orders to buy Products; (ii) to view TBSAH information, and (iii) to generally manage your business (the “**Business Hub**”). TBSAH also will use the Business Hub to communicate with you. It is your obligation to keep details of your Business Hub safe and secure. Once you have joined, you will receive a welcome email



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containing your Independent Consultant Agreement, these Business Rules and the other Policy Documents.

3. **ENROLLMENT DATE.** Your enrollment date is the date that you complete your online enrollment.
4. **RE-ENROLLMENT.** If you were previously an Independent Consultant with TBSAH, and left the business less than six months ago, you will be automatically re-enrolled under the same Consultant ID. If you left the business more than six months ago, you will need to complete a new application to obtain a new Consultant ID.

c. **OPERATING AND SAFEGUARDING YOUR TBSAH BUSINESS**

1. **ADHERENCE TO THE BUSINESS RULES AND LAWS.** Independent Consultants must adhere to the Independent Consultant Agreement, these Business Rules and other Policy Documents and with all federal, state and local laws and regulations that pertain to their business. The Independent Consultant shall be liable for the actions of any individuals assisting him or her in the running of his or her business including the actions of his or her immediate household. For purposes of these Business Rules, “immediate household” means individuals who are related by blood, adoption, domestic partnership or marriage, and who reside in the same house, apartment or other dwelling or living quarters.
2. **MINORS.** Independent Consultants shall only recruit or sponsor individuals who are of legal age in the state where they reside (usually 18 years of age).
3. **SPONSORING.**
  - 3.1 **Process.** Most new Independent Consultants are introduced to The Body Shop At Home™ by another Independent Consultant. As a sponsor, you are encouraged to support and train your new Independent Consultants to help them get started and understand the business. TBSAH does not offer any payments or other financial reward simply for sponsoring new Independent Consultants, but only for sales of TBSAH Products made by those sponsored Independent Consultants. As a sponsor, you may not offer financial or other incentives to encourage new Independent Consultants to join your team nor may you charge your new Independent Consultant for any training and support you offer them. Sponsors may not be changed unless there is a business reason agreed to by TBSAH or there was an error in enrollment, as determined by TBSAH in its sole discretion.
  - 3.2 **Multiple Sponsors.** If an applicant enrolls under more than one Independent Consultant Agreement and lists a different sponsor, only the first completed Independent Consultant Agreement to be received by TBSAH will be considered for acceptance, unless otherwise determined by TBSAH in its sole discretion.
  - 3.3 **Allocation of Leads.** TBSAH has the right, at its sole discretion, to allocate potential contacts from time to time to Independent Consultants.



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**4. DATA PROTECTION.**

4.1 **Use of Personal Data.** Independent Consultants will only use or process the personal data they collect from their customers or other Independent Consultants in the sale of Products or the operation of their TBSAH business. In operating their TBSAH business, Independent Consultants will comply with all applicable laws, statutes and regulations in force from time to time relating to the protection of personal data, including taking all necessary measures to ensure the personal data of their customers is secure and is processed in compliance with the federal and state privacy laws.

4.2 **Protection.** If you, in your capacity as an Independent Consultant obtain, record, organize, store, change, retrieve, consult, use, disclose, make available, dispose of or otherwise process personal data of customers, other Independent Consultants or any other person, you are legally responsible for the protection of any personal data relating to such customers, other Independent Consultants and any other individual that you collect and process in the course of your activities as an Independent Consultant. You agree to keep such personal data confidential and secure and not disclose it in breach of any law. You agree to answer any requests from individuals about your use of their personal data. If you become aware of an alleged security breach or complaint by a customer or Independent Consultant, you agree to report the breach or complaint immediately to TBSAH and cooperate fully and promptly in the investigation of that breach or complaint.

4.3 **Indemnification.** You will indemnify and hold TBSAH harmless from any losses, damages, liabilities, costs, charges or expenses arising from (i) any breach of this data protection section or breach of the privacy laws by you; or (ii) claims for compensation from any customer or Independent Consultant, suffered or incurred by TBSAH arising out of or in connection with any dispute that you or TBSAH may have with such customer or Independent Consultant regarding disclosure or use of their personal data.

**5. INTERNATIONAL SPONSORING.** TBSAH does not currently offer international sponsoring between markets to all Independent Consultants. Where TBSAH elects to offer international sponsoring to certain Independent Consultants, those Independent Consultants will be required to sign a separate International Sponsoring Agreement.

**6. CONDUCT OF BUSINESS.**

6.1 **Code of Ethics.** TBSAH has applied to be a member of the Direct Selling Association (the “DSA”). We strictly adhere to the Code of Ethics DSA ([www.dsa.org](http://www.dsa.org)). We require that our Independent Consultants strictly adhere to this Code of Ethics, and the TBSAH Code of Ethics and these Business Rules.

6.2 **Maintaining the Reputation and Image of TBSAH.** Independent Consultants will, at all times, conduct themselves and their business in an ethical, moral and financially sound manner, and will not engage in any activities which could bring disrepute on the good name or image of TBSAH, its Products, trademarks, brand names or other Independent Consultants. In conducting their business, Independent Consultants will not engage or participate in any deceptive, fraudulent or illegal practices, nor will they enable or encourage others to do so. Independent Consultants shall also refrain from expressing personal beliefs (e.g. religious, political, or ideological purposes) in the



course of operating their TBSAH business. Independent Consultants must refrain from disparaging, demeaning, or negative remarks about TBSAH including its Affiliates (as defined in Section K.8), its Products, other Independent Consultants, or TBSAH employees.

6.3 **Presentations.** At sales and recruiting presentations (as well as when scheduling such presentations), Independent Consultants shall truthfully identify themselves, the Products and the purpose of their business to prospective customers or recruits. Independent Consultants may not use any misleading, deceptive or unfair sales practices. Explanation and demonstration of Products offered shall be accurate and complete including, but not limited to, with regard to price, terms of payment, refund rights, guarantees, and after-sales services and delivery. Personal or telephone contacts shall be made in a reasonable manner and during reasonable hours to avoid intrusiveness and in accordance with applicable laws. Independent Consultants must immediately discontinue a demonstration or sales presentation upon the request of the customer. Independent Consultants shall not directly or by implication, denigrate any other company or product. Independent Consultants shall refrain from using comparisons which are likely to mislead and which are incompatible to the principles of fair competition. Independent Consultants shall not abuse the trust of customers, shall respect any lack of commercial experience of customers and shall not exploit a customer's age, illness, lack of understanding or lack of language expertise.

7. **INDEPENDENT CONSULTANT.** You acknowledge and agree that, as an Independent Consultant, you operate your business as an independent contractor buying and selling Products on your own account. You have no right and are not authorized to act as an agent for TBSAH. You have no authority to bind TBSAH to any obligation.

8. **PRODUCT SALES AND CUSTOMER RETURNS.**

8.1 **Direct Sales.** An Independent Consultant's success with customers in the direct sales channel depends upon building personal relationships with them. Customers should be able to try the Products before they buy them and receive professional individual instruction in Product usage before and after the sale. Sales are primarily carried out at "parties" which is a gathering of the party host's friends and family in the host's home. Independent Consultants may also host parties on an online medium such as Zoom or Facebook Live. The Independent Consultant shall not sell the Products except by through direct sales channel, the Personal Websites (as defined below), or such other method as may be approved by TBSAH from time to time.

8.2 **Restrictions.** For the purpose of ensuring protection of the TBSAH brand, the system and the reputation and intellectual property rights of TBSAH and its Affiliates, the Independent Consultant shall:

- a. Only purchase Products from TBSAH (or its Affiliates) unless otherwise notified in writing by TBSAH;
- b. Only sell Products to customers residing within the United States, except for U.S. territories, PO boxes and APO addresses;



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- c. Only sell the Products through the direct sales channel via personal websites provided to each Consultant by TBSAH (the “Personal Websites”) or other method approved by TBSAH from time to time;
  - d. Only market advertise the Products and The Body Shop At Home™ business in accordance with the Policy Documents; and
  - e. Not set up personal web-based selling sites and only sell the Products through TBSAH provided Personal Websites.
- 8.3 **Submission.** The Independent Consultant shall encourage all customers to place orders for the Products using the Consultant’s Personal Website. Alternatively, Consultants can elect to place orders on behalf of a customer through the Consultant’s Personal Website or through the Business Hub.
- 8.4 **Availability.** Where any Products ordered by a customer are not available from TBSAH, the Independent Consultant shall notify the customer as soon as practical and in any event within 24 hours and shall offer the customer a refund for the unavailable Products.
- 8.5 **Place of Sale.** The Independent Consultant shall not sell or promote the Products out of any retail store or location or any other unauthorized place or business establishment. Further, the Independent Consultant shall not sell or promote the Products to any customer where the Independent Consultant is aware or it would be reasonable to suspect that the customer is reselling the Products to individuals or entities other than as permitted by these Business Rules and other Policy Documents.
- 8.6 **Sales and Use Taxes.** To ensure compliance with the sales and use tax requirement of each state, unless required otherwise by state law, TBSAH will collect and remit all applicable sales and use taxes on Products, promotional materials, sales aids and services sold to you. The applicable rate of tax due shall be based on the address to which the Product and/or material is shipped.

#### 9. **CUSTOMER PRODUCT RETURNS AND REFUNDS.**

- 9.1 **Returns and Refunds.** TBSAH works to ensure that each Product meets the high-quality standards that customers expect. Occasionally a customer may wish to return or exchange a Product. If a customer is dissatisfied with any Product for any reason, then the customer may return that Product in its original package and shipping container to TBSAH or the Independent Consultant who sold the customer the Product within 30 days of purchase, for either replacement or a full refund of the purchase price.
- 9.2 **Right to Cancel.** A customer has the right to cancel a purchase within three days from the date of the sale and receive a full refund. Two copies of the order receipt along with the Customer Notices must be provided to the customer with every sale. In addition, Independent Consultants must orally inform the customer of the three-day right to cancel at the time the customer purchases the Products. A copy of such Customer Notices will be available for download on the Business Hub.



## D. COMMISSIONS AND BONUSES

### 1. QUALIFICATION AND PAYMENT.

1.1 **Qualification.** To qualify for monthly commissions, bonuses or title advancements, Independent Consultants must successfully meet the sales requirements as set forth in the Compensation Plan. A copy of the Compensation Plan can be found on Business Hub.

1.2 **Payment.** Payment of bonuses and commissions are made as follows:

- a. Commissions are processed at the end of the month and completed on or around the 5th of the following month. TBSAH is unable to confirm changes in Independent Consultant status until commissions have been calculated and completed.
- b. Commission payments to Independent Consultants are deposited directly into their e-Wallet on or around the 15th of the month.
- c. All bonuses are included in the monthly commission payments.
- d. Commission payments are made only if an Independent Consultant is owed \$5.00 USD or more. Commissions totaling less than \$5.00 USD will be added to the next month's commissions.
- e. If applicable, at the end of each calendar year each Independent Consultant will be able to obtain an IRS Form 1099, or other applicable documentation required by law, for non-employee compensation of an independent contractor, through the Consultant's e-Wallet platform.
- f. Commissions and other earnings must be declared as income on your annual tax return

2. **RECOGNITION.** Any recognition of new titles and payments will be calculated in accordance with the Compensation Plan. TBSAH is unable to confirm title promotions until the month end commission process has been completed which is no later than the 5th of the following month.

3. **MANIPULATION OF THE COMPENSATION PLAN.** The purchase of Products primarily as an attempt to qualify for compensation or advancement in the Compensation Plan is not permitted. Prohibited practices include, but are not limited to:

- a. Enrollment of individuals or entities without their knowledge or consent and/or completion or submission of an application to become an Independent Consultant in the name of any such individuals;





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- b. Enrollment or attempted enrollment of non-existent individuals as Independent Consultants;
- c. Paying for or providing financial assistance to Independent Consultants or customers;
- d. Purchasing Products on behalf of other Independent Consultants or under another Independent Consultant's account/ID number;
- e. Purchasing Products in unreasonable amounts or only or primarily to qualify or earn compensation to achieve a specific rank, or
- f. The use of a credit card by or on behalf of an Independent Consultant or customer when the Independent Consultant or customer is not the account holder of such credit card.

**E. INTELLECTUAL PROPERTY RIGHTS,  
CONFIDENTIALITY, ADVERTISING AND USE OF THE  
INTERNET**

The Body Shop is an activist brand. We care about our planet and we believe that business should be a force for good. Communicating externally is one of the many ways we can communicate key messages, promote brand purpose and keep Anita's spirit alive.

1. **PUBLICITY AND MEDIA ENQUIRES.** Except in the course of selling Products, Independent Consultants shall not make any public statements, or solicit or respond to any media or press enquiries regarding TBSAH or The Body Shop At Home™, its Products, brand, values or business, including, but not limited to, any above or below the line advertising, programs or programs aired on television, radio or podcast or printed material. All media or press enquiries received must be immediately referred to the Compliance department at [TBSAHcompliance@thebodyshop.com](mailto:TBSAHcompliance@thebodyshop.com).
2. **INTELLECTUAL PROPERTY RIGHTS.**
  - 2.1 **Definition.**



“TBSAH Intellectual Property” means intellectual property rights owned or used by TBSAH (or its Affiliates) in relation to the The Body Shop At Home™ business, including, but not limited to patents, utility models, copyright and related rights, moral rights, trademarks, names, service marks, logos and devices, business names and domain names, rights in trade dress, goodwill, the right to sue for passing off or unfair competition, rights in designs, database rights, and rights to use and protect the confidentiality, confidential information (including know-how and trade secrets).

2.2 **Value.** The strength of the TBSAH Intellectual Property, and its brand in particular, is absolutely central to the value and success of the ‘The Body Shop’ business. The Independent Consultant acknowledges and agrees that the TBSAH Intellectual Property is fundamental to its ability to sell its Products and maintain and build the company’s profitability and value, including by enabling customers to identify TBSAH and its Products, distinguish it from competitors, and give TBSAH the ability to take action against those who infringe its rights. It is extremely important that TBSAH Intellectual Property is protected and used correctly to ensure that its value is preserved.

2.3 **Use.**

2.3.1 *You will only use the TBSAH Intellectual Property provided to you by TBSAH for the operation of your The Body Shop At Home™ business. Any and all use of TBSAH Intellectual Property will at all times, comply and be in accordance with TBSAH’s guidance and direction, whether as set forth herein, in your Independent Consultant Agreement, in the other Policy Documents, or as otherwise provided to you in writing from time to time.*

2.3.2 *You will only use TBSAH trademarks or logos as stipulated by TBSAH and observe any directions given by TBSAH on such use, including as to colors and size or representations of any trademarks or logos or any requirement to include an acknowledgement of TBSAH’s rights. You will not change, alter or reproduce any trademarks, logos or other TBSAH Intellectual Property in any way.*

2.3.3 *You may not use TBSAH Intellectual Property for the commissioning or the production of any merchandise including t-shirts, caps, bags, flags, aprons etc., whether for your own use or to sell or supply to other Independent Consultants or to anyone else.*

2.3.4 *Use of any third party owned intellectual property, including images of other persons, is prohibited, unless such use is expressly authorized by the intellectual property owner.*

3. **CONFIDENTIALITY.**

3.1 **Confidential Information.** During the term of the Independent Consultant Agreement, TBSAH may supply to Independent Consultants confidential information of TBSAH (the “Confidential Information”), including, but not limited to, genealogical and downline reports, customer lists and information, Independent Consultant lists and information, trade secrets, manufacturer and supplier information, business reports, commission or sales reports, Product information and such other financial and business information



which TBSAH deems as confidential. All Confidential Information (whether oral or in written or electronic form) is proprietary and confidential to TBSAH and is transmitted to Independent Consultants in strictest confidence for use solely in Independent Consultants' business with TBSAH. Independent Consultants must use their best efforts to keep such information confidential and may not disclose any Confidential Information to any third party, directly, or indirectly except in strict accordance with the Independent Consultant Agreement and these Business Rules. Independent Consultants may not use Confidential Information to sell Products or services other than TBSAH's Products and services or in connection with any other business during the term of and after termination of the Independent Consultant Agreement. Upon nonrenewal or termination of the Independent Consultant Agreement, Independent Consultants must immediately discontinue all use of the Confidential Information and, if requested by TBSAH, promptly return all materials in their possession to TBSAH within five business days of request at their own expense.

- 3.2 **Downlines and Genealogy.** All genealogy and downline reports provided to an Independent Consultant are proprietary to and owned by TBSAH. Each Independent Consultant acknowledges that the reports may contain information concerning the Independent Consultant, including, but not limited, to the Independent Consultant's name, address, phone number, Products purchased and sold and earnings. Independent Consultants, by executing the Independent Consultant Agreement, consent to the use and dissemination by TBSAH of the reports and information therein and any other information concerning an Independent Consultant collected by TBSAH in connection with TBSAH's business, including to enforce the terms of and its rights under the Independent Consultant Agreement and these Business Rules and to comply with applicable laws. An Independent Consultant may not use the reports in any manner or for any purpose except in connection with Independent Consultant's business.
- 3.3 **Vendors.** TBSAH's business relationships with its vendors, manufacturers and suppliers are confidential. Independent Consultants may not contact, directly or indirectly, contact or speak to or communicate with any supplier or manufacturer of TBSAH except at a Company-sponsored event at which the supplier or manufacturer is present at the request of TBSAH.
- 3.4 **Right to Use.** By executing the Independent Consultant Agreement, each Independent Consultant grants to TBSAH and its Affiliates and agents the absolute, perpetual and worldwide right and license to use, to record, photograph, publish, reproduce, advertise, display, edit and sell in any manner for all purposes, his or her name, photograph, likeness, voice testimony, biographical information, image and other information related to Independent Consultant's business with TBSAH (collectively the "Likeness") in marketing, promotional, advertising and training materials, whether in print, radio or television broadcasts (including cable and satellite transmissions), audio and videotapes, on the Internet or in other media ("Publicity Materials") for an unlimited number of times, without compensation, in perpetuity. Each Independent Consultant waives any right to inspect or approve any Publicity Materials including or accompanying his or her Likeness. Each Independent Consultant further releases TBSAH from any liability or obligation that may arise as a result of the use of his or her Likeness, including without limitation, claims for invasion of privacy, infringement of right of publicity and defamation (including libel and slander). An Independent Consultant may withdraw his or her authorization of any use of his or her



Likeness that has not already been publicized or used by providing written notice to TBSAH. Independent Consultants agree that any information given by Independent Consultant, including his or her testimonial, is true and accurate.

4. **NON-SOLICITATION.** Independent Consultant agrees that during the term of the Independent Consultant Agreement and for a period of one year thereafter, Independent Consultant shall not, directly or indirectly, on his or her own behalf, or on the behalf of any other person or entity, solicit, induce or hire or attempt to solicit, induce or hire any Independent Consultant, employee, member, customer, supplier or vendor of TBSAH (i) to enter into any business relationship with any other direct sales or network marketing company or individual or (ii) to terminate or alter his or her business or contractual relationship with TBSAH.
5. **USE OF THE INTERNET AND SOCIAL MEDIA.** We recognize the benefits of social media to promote your business. The Internet has changed the way we interact with each other and the way consumers interact and research brands, providing us with the opportunity to engage effectively with millions of people around the world. Many Independent Consultants have profiles on social media sites, such as Facebook and Instagram, where they post videos or photos in support of their TBSAH business. In addition to the provisions of these Business Rules, additional rules regarding the Independent Consultant's use of social media are contained in the TBSAH Digital and Social Media Policy which is one of the Policy Documents agreed to by you and incorporated into your Independent Consultant Agreement.

## F. **PROMOTIONAL MATERIALS AND CLAIMS.**

1. **PROMOTIONAL MATERIALS.** Independent Consultants may only use promotional, advertising and training materials provided by TBSAH in the promotion and marketing of TBSAH's Products, the TBSAH business, and the conduct of their business as Independent Consultants. TBSAH owns all copyrights in all promotional and advertising materials produced by TBSAH. TBSAH's literature and materials may not be duplicated or reprinted without the prior written permission of TBSAH.
2. **CLAIMS.**
  - 2.1 **Definition.** A claim is any written or verbal, direct or indirect, representation, testimonial, statement, story, image or video about TBSAH, the Products, or the TBSAH business. Claims can include simple statements about Product benefits or photos of before and after results. Claims can also describe the results obtained through The Body Shop At Home™ business, such as income or lifestyle claims. In addition to the specific claims rules that follow, all claims must be lawful, truthful and not misleading.
  - 2.2 **Product Claims.** Independent Consultants must be truthful in the representation of the Products. Independent Consultants may make no claim, representation or warranty concerning any Product or service of TBSAH, except those expressly approved in writing by TBSAH or contained in TBSAH materials. Independent Consultants may make no medical, diagnostic, therapeutic, curative or exaggerated claims. Independent Consultants may make no representations that the Products diagnose, cure, treat, heal or prevent any condition, disease or illness. No personal testimonials regarding the beneficial properties of any Product or services offered by TBSAH may be made except those found in official TBSAH materials.



- 2.3 **Income Claims.** Independent Consultants must truthfully and fairly describe the Compensation Plan. No past, potential or actual income claims may be made to prospective Independent Consultants, nor may Independent Consultants use their own incomes as indications of potential success. Commission checks may not be used as marketing materials. Independent Consultants may not guarantee commissions or estimate expenses to prospects. Any earnings information or statements regarding income in the Compensation Plan must be provided by TBSAH, are solely to explain the Compensation Plan and are not representations or guarantees of any earnings or income. TBSAH does not guarantee or imply any specific earnings or income. Individual income results may vary significantly and are based on many factors, including an Independent Consultant's individual efforts, business experience and skills. TBSAH makes no warranty or representation as to the level of success, if any, Independent Consultants may achieve by selling any Product or in soliciting Independent Consultants or customers.
- 2.4 **Lifestyle Claims.** An income or lifestyle claim is any expressed or implied claim regarding an Independent Consultant's actual or potential income or lifestyle achieved through The Body Shop At Home™ business. Claims may also include any images involving houses, cars, holidays, boats, or checks. It is important that Independent Consultants provide truthful and realistic expectations about The Body Shop At Home™ business and do not create the impression that a certain income or lifestyle is guaranteed or easily achieved. Consultant may not use images, statements or to otherwise suggest exaggerated income, lavish lifestyle or the ability to replace income from e.g. employment, by joining The Body Shop At Home™.
- 2.5 **Earnings Disclosure Statement.** TBSAH, from time to time, may distribute an Earnings Disclosure Statement ("EDS"). The EDS is designed to accurately convey honest and comprehensive information regarding the income of Independent Consultants. The EDS represents the average earnings of Independent Consultants and provides high, low and average monthly earnings information, as well as annualized averages. When discussing or promoting TBSAH to prospective Independent Consultants, the Independent Consultants must provide a copy (if available), of the current EDS to each prospect. If no EDS has been published by TBSAH, then Independent Consultants may not make any reference to the amount of money an Independent Consultant is making or any other earning claims, actual or projected except as otherwise been provided in writing by TBSAH.
- 2.6 **Endorsements.** No endorsements by any third party may be asserted, except as expressly communicated in TBSAH literature and communications. Federal and state regulatory agencies do not approve or endorse direct selling programs and Independent Consultants may not represent or imply, directly or indirectly, that the TBSAH's programs, Products or services have been approved or endorsed by any governmental agency.

## G. CANCELLATION AND TERMINATION

1. **CANCELLATION BY INDEPENDENT CONSULTANT.** You may cancel your Independent Consultant Agreement with TBSAH at any time for any reason. To cancel, please send us a written



notification of your resignation to the Consultant Support team by email at [usconsultant.support@thebodyshop.com](mailto:usconsultant.support@thebodyshop.com).

2. **TERMINATION BY THE COMPANY.** TBSAH may terminate this Independent Consultant Agreement at any time, without cause, by giving the Independent Consultant not less than 30 days written notice. TBSAH may terminate this Independent Consultant Agreement with immediate effect if the Independent Consultant breaches any terms of the Independent Consultant Agreement or other Policy Documents.
3. **EFFECT OF TERMINATION.** Immediately upon nonrenewal, cancellation or termination of the Independent Consultant Agreement, the Independent Consultant:
  - a. Must remove and permanently discontinue the use of TBSAH Intellectual Property and any signs, labels, stationery or advertising referring to or relating to any TBSAH Products, services or program;
  - b. Must cease representing himself or herself as an Independent Consultant of TBSAH;
  - c. Loses all rights to his or her position in the genealogy and the Compensation Plan and to all future commissions and earnings resulting therefrom; and
  - d. Must cease using any Confidential Information and take all action reasonably required by TBSAH relating to the protection of its Confidential Information and Intellectual Property.
4. **STATE LAWS.** Where state laws on termination are inconsistent with this termination policy, the applicable state law shall apply.
5. **OFFSET.** All commissions, overrides and/or bonuses paid to a terminated Independent Consultant and his or her upline as a result of any Product returned must be repaid to TBSAH from Independent Consultants receiving such commissions, overrides and/or bonuses. TBSAH may deduct such amounts from any commissions or other amounts owed to such Independent Consultants.

## H. BUY-BACK POLICY UPON TERMINATION

1. **BUY-BACK POLICY.** An Independent Consultant who terminates his or her business relationship with TBSAH has the right to return for repurchase on commercially reasonable terms currently marketable inventory, including Product, TBSAH-produced promotional materials, sales aids and kits in possession of the Independent Consultant purchased within 12 months of the date of termination. For purposes hereof, “**reasonable commercial terms**” shall mean the repurchase of currently marketable inventory within 12 months from the Independent Consultant’s date of purchase at not less than 90% of the Independent Consultant’s original net cost less appropriate setoffs and legal claims, if any. In addition, for purposes of this Section, Products shall not be considered “currently marketable” if returned for repurchase after the Product’s or sales aid’s commercially reasonable usable or shelf life period has passed; nor shall Products or sales aids be considered “currently marketable” if TBSAH clearly discloses to the Independent Consultant prior to purchase that the Products or sales aids are seasonal,



discontinued or special promotions and are not subject to the buy-back obligation. Where any state may require a different buy back policy than TBSAH's, that state's buyback policy will apply.

2. **Return Location.** Any Products shall be returned to 5036 1 World Way, Wake Forest, NC 27587.
3. **Credit.** If eligible for a refund, we will credit your e-Wallet once the Product is logged as returned by our distribution center. Your Business Hub will be closed once the refund is issued.
4. **Assistance.** For assistance to request a refund/ buy-back please contact our Consultant Support team by phone at 1-800-263-9746 (option1 for English, then option 4 for TBSAH) or by email at [usconsultant.support@thebodyshop.com](mailto:usconsultant.support@thebodyshop.com).

## I. **ROLL UP OF AN INDEPENDENT CONSULTANT BUSINESS**

1. **UPON TERMINATION.** Upon termination of the Independent Consultant Agreement, an Independent Consultant's downline Independent Consultants will ordinarily be transferred to the next up-line Independent Consultant above them. However, the roll-up is entirely at TBSAH's discretion, and TBSAH reserves the right not to roll-up the business in this way for any reason, including:
  - a. Not to roll up an Independent Consultant's business or delay a roll-up where a decision to terminate the Independent Consultant Agreement is being reconsidered at the Independent Consultant's request;
  - b. In cases where the next up-line Independent Consultant is not regarded by TBSAH as suitable for supporting the remaining downline; or
  - c. Where the next up-line Independent Consultant is or has not been in compliance with the Independent Consultant Agreement.
2. **QUALIFICATION.** In the event of a roll-up, the new upline Independent Consultant will still be required to qualify under the normal Compensation Plan criteria in order to promote to the next level within the Compensation Plan hierarchy. Subject to TBSAH's discretion on a case by case basis, the rolled-up business will ordinarily count towards the Independent Consultant's status



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for these purposes. The Independent Consultant will be entitled to receive commission based on the rolled-up downline sales in accordance with the Compensation Plan.

## J. GOVERNING LAW, ARBITRATION INDEMNIFICATION

1. **GOVERNING LAW.** The Agreement and these Business Rules shall be governed by the laws of the State of New York.

2. **ARBITRATION.**

2.1 **Arbitration.** Except as expressly set forth herein, all disputes, claims and controversies relating to or arising out of the Independent Consultant Agreement and other Policy Documents shall be settled totally and finally by arbitration in New York, New York and administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Except as expressly set forth herein, arbitration shall be the exclusive method available for resolution of such claims and disputes.

2.2 **Procedures.** There shall be one arbitrator who shall be an attorney who shall have expertise in business law transactions, and preferably an attorney knowledgeable in the direct selling industry. The Company shall select the arbitrator at its sole discretion from the panel which the American Arbitration Association provides. Each party to the arbitration shall be responsible for his or her own costs and expenses of arbitration, including legal and filing fees. If an Independent Consultant files a claim or counterclaim against TBSAH, an Independent Consultant shall do so on an individual basis and not with any other Independent Consultant or as part of a class action. The arbitrator shall have the right in his or her discretion to authorize the obtaining of discovery, including the taking of depositions of witnesses for the purpose of discovery. The presentations of parties in the arbitration proceeding shall be commenced and completed within 60 days after the selection of the arbitrator, and the arbitrator shall render his or her decision in writing within 30 days after the completion of such presentations. The decision of the arbitrator shall be final and binding on the parties and may, if need be, be reduced to a judgment in any court of competent jurisdiction. At the request of any party, the arbitrator shall make and provide to the parties written findings of fact and conclusions of law. This agreement to arbitrate shall survive any termination or expiration of the Independent Consultant Agreement.

2.3 **Exclusions.** Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity, use or registration of any Intellectual Property or Confidential Information of TBSAH's prior written consent. TBSAH may seek any applicable remedy in any applicable forum with respect to these disputes. In addition to monetary damages TBSA may obtain injunctive relief against an Independent Consultant for any violation of the Independent Consultant Agreement or these Policies or misuse of the Company's Intellectual Property or Confidential Information.

2.4 **Injunctive Relief.** Nothing in this provision shall prevent a party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other injunctive or emergency relief available to safeguard and protect the party's interests prior to the filing of or during or following any arbitration





or other proceeding or pending the handing down of a decision or award in connection with any arbitration or other proceeding.

- 2.5 **Limitation.** Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to, or to subtract from any of the provisions of the Business Rules, Compensation Plan or the Independent Consultant Agreement. The arbitrator shall not have the power to rule upon or grant any extension, renewal or continuance of the Independent Consultant Agreement. The arbitrator shall not have the power to award special, incidental, indirect, punitive or exemplary, or consequential damages of any kind or nature, however caused.
- 2.6 **Amendment.** Any modification of this arbitration provision shall not apply retroactively to any dispute which arose or which TBSAH had notice of before the date of modification.
- 2.7 **Confidentiality.** All communications, whether oral, written or electronic, in any negotiation, mediation or arbitration pursuant to this section shall be treated as confidential and those made in the course of negotiation or mediation, including any offer, promise or other statement, whether made by any of the parties, their agents, employees, experts, or attorneys, or by the mediator shall also be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and shall be inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in negotiation or mediation.
- 2.8 **Waiver of Class Action.** In consideration of the right to become an Independent Consultant, each Independent Consultant expressly waives and disclaims any right to bring any claim or action in any and all forums as a class action. No Independent Consultant may serve as the class representative or as a member of a class in litigation or in any other proceeding adverse to TBSAH or any of its affiliates or any other Independent Consultant.
3. **INDEMNIFICATION.** By accepting the Independent Consultant Agreement, each Independent Consultant agrees to indemnify and hold harmless TBSAH, its partners, members, managers, shareholders, officers, directors, employees, agents and successors in interest from and against any claim, demand, liability, loss, cost or expense including, but not limited to, court costs and attorneys' fees, asserted against or suffered or incurred by any of them, directly or indirectly, arising out of or in any way related to or connected with allegedly or otherwise, the Independent Consultant's (i) activities as an Independent Consultant; (ii) breach of the terms of the Independent Consultant Agreement, these Business Rules or other Policy Documents; and/or (iii) violation of or failure to comply with any applicable federal, state or local law or regulation.

## K. MISCELLANEOUS PROVISIONS

1. **THIRD PARTIES.** Certain suppliers, partners and other vendors of TBSAH Products and services are independent from TBSAH. TBSAH has no control over third parties. TBSAH, from time to time, may provide Independent Consultants information regarding services available to Independent Consultants provided by unaffiliated third parties with respect to commission



processing, debit and credit cards, banking and merchant accounts and other transactions. In no event shall TBSAH be liable for the failure of an Independent Consultant to obtain or qualify for such services, the use or misuse of information provided by Independent Consultant to such third party, delays by the third party, or the suspension or termination of such services or the withholding of funds by such third party, including the effect on potential bonuses and commissions.

2. **DISCLAIMER.** EXCEPT AS EXPRESSLY MADE BY TBSAH IN WRITING, TBSAH MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WORKMANSHIP, NON-INFRINGEMENT OR ANY OTHER WARRANTY ARISING BY LAW, STATUTE, USAGE OF TRADE OR COURSE OF DEALING CONCERNING ANY PRODUCT OR SERVICE PURCHASED FROM OR THROUGH TBSAH. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL PRODUCTS AND SERVICES OF TBSAH ARE PROVIDED “AS IS,” “WITH ALL FAULTS,” AND “AS AVAILABLE.” TBSAH DOES NOT WARRANT THAT ITS PRODUCTS OR SERVICES WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE SYSTEMS OR THAT ON-LINE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. TBSAH DOES NOT WARRANT THAT ANY WEBSITE OPERATED, SPONSORED OR HOSTED BY TBSAH OR ANY OF ITS AFFILIATES WILL BE UNINTERRUPTED OR FREE FROM ERROR. TBSAH IS NOT RESPONSIBLE FOR INTERRUPTED, INACCESSIBLE OR UNAVAILABLE NETWORKS, SERVER, SATELLITES AND/OR SERVICE PROVIDERS; OR FOR MISCOMMUNICATIONS, FAILED, JUMBLED, SCRAMBLED, DELAYED OR MISDIRECTED COMPUTER, TELEPHONE OR CABLE TRANSMISSIONS; OR FOR ANY TECHNICAL MALFUNCTIONS, FAILURES OR DIFFICULTIES. TBSAH IS NOT RESPONSIBLE OR LIABLE FOR MAINTAINING ANY INDEPENDENT CONSULTANT OR CUSTOMER DATA OR FOR THE DELETION, CORRUPTION, DESTRUCTION, DAMAGE, LOSS OR FAILURE OF ANY CONSULTANT OR CUSTOMER DATA OR FOR ANY THIRD-PARTY ACCESS TO ANY CONSULTANT OR CUSTOMER DATA.
3. **FORCE MAJEURE.** TBSAH shall not be responsible for delays or failure in performance caused by circumstances beyond a party’s control, such as acts of terrorism, natural disasters, pandemics, strikes, labor difficulties, fire, war, acts or omissions of third parties, disruptions in communication systems, government decrees or orders or curtailment of a party’s usual source of supply.
4. **AMENDMENT.** TBSAH reserves the right to amend the Independent Consultant Agreement, these Business Rules, the Compensation Plan, other Policy Documents, its retail prices, and Product and service availability and type at any time as it deems appropriate. Amendments will be communicated to Independent Consultants through official Company publications, including posting on the website or by electronic e-mail. Amendments are effective and binding on all Independent Consultants 10 days after publication. An Independent Consultant’s continued purchasing of Products or accepting of commissions shall be deemed acceptance of the amendments. In the event of any conflict between the original documents or policies and any such amendment, the amendment will control.
5. **NO WAIVER.** No failure of TBSAH to exercise any power under these Business Rules or other Policy Documents or to insist upon strict compliance by an Independent Consultant with any obligation or provision herein, and no custom or practice of the parties at variance with these Business Rules, shall constitute a waiver of TBSAH’s right to demand exact compliance with these Business Rules. TBSAH’s waiver of any particular default by an Independent Consultant



shall not affect or impair TBSAH's rights with respect to any subsequent default, nor shall it affect in any way the rights or obligations of any other Independent Consultant. No delay or omissions by TBSAH to exercise any right arising from a default affect or impair TBSAH's rights as to that or any subsequent default. Waiver by TBSAH can occur only in writing by an authorized officer of TBSAH.

6. **SEVERABILITY.** If under any applicable law or rule of any applicable jurisdiction, any provision of these Business Rules is held to be invalid or unenforceable, the remainder of these Business Rules will be interpreted as best to effect the intent of the parties hereto. The remaining provisions of these Business Rules shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from these Business Rules.
7. **SURVIVAL.** Any provision of these Business Rules, which, by its terms, is intended to survive termination or expiration of the Independent Consultant Agreement shall so survive, including, without limitation, the non-solicitation, trade secrets and confidential information covenants contained in these Business Rules.
8. **AFFILIATE.** For purposes of these Business Rules, an "Affiliate" shall mean, as to any individual or business entity, any other individual or business entity that, directly or indirectly, controls, is controlled by or is under common control with such individual or business entity. For purposes of this definition, "control" of an individual or business entity means the possession, directly or indirectly, of the power (i) to vote or control more than 50 % of the voting equity or (ii) to direct or cause the direction of management and policies of such individual or business entity, whether through equity ownership, by contract or otherwise

