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15 *Attorneys for Plaintiff and the Putative Class*

16 **THE SUPERIOR COURT OF CALIFORNIA**
COUNTY OF SAN FRANCISCO

18 LAUREN DANN, individually and on behalf
of themselves and all others similarly situated,

19 Plaintiff,

20 v.

21 THE RODAN + FIELDS COMPANY,
RODAN + FIELDS LLC, DR. KATIE
22 RODAN, DR. KATHY FIELDS, DIMITRI
HALOULOS, TIM ENG, LAURA BEITLER,
23 DALIA STODDARD, JESSICA RAEFIELD,
JANINE WEBER, and DOES 1-100,

24 Defendants.

Case No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

(1) Failure to Pay Minimum Wage and Liquidated
Damages (Labor Code §§ 1182.12, 1194, 1197,
1197.1, at 1198)

(2) Failure to Provide Meal Periods or Meal
Premium Wages (Labor Code §§ 226.7, 512(a),
1198; IWC Wage Order 4-2001);

(3) Failure to Provide Rest Periods or Rest Break
Premium Wages (Labor Code §§ 226.7, 558.1);

(4) Failure to Keep Requisite Payroll Records

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(Labor Code § 1174(d));
(5) Failure to Provide Timely and Accurate Wage Statements (Labor Code § 226(a), 226(e));
(6) Failure to Timely Pay Wages (Labor Code § 204)
(7) Failure to Pay Wages Upon Separation (Labor Code § 201-203);
(8) Failure to Reimburse Business Expenses (Labor Code §§ 450, 2802; IWC Wage Order 4-2001);
(9) Unfair Competition (Bus. & Prof. Code §§ 17200 et seq.)

1 Plaintiff LAUREN DANN (“Plaintiff”) brings this action, individually, and on behalf of a class of
2 similarly situated individuals against RODAN + FIELDS, LLC., DR. KATIE RODAN, DR. KATHY
3 FIELDS, DIMITRI HALOULOS, TIM ENG, LAURA BEITLER, DALIA STODDARD, JESSICA
4 RAEFIELD, and JANINE WEBER (collectively, “Defendants” or “R+F”). Plaintiff’s allegations
5 against Defendants are based upon investigation carried out by Plaintiff’s counsel, except for
6 allegations pertaining specifically to Plaintiff, which are based upon Plaintiff’s personal knowledge.

7 **I. INTRODUCTION**

8 1. Rodan and Fields, LLC (“Rodan + Fields” or “R+F”) is a massively successful
9 company that, for years, has exploited its California salesforce by misclassifying them as independent
10 contractors rather than as employees. These sales and marketing personnel comprise the Independent
11 Consultant workforce (or “Consultant Community,” as referred to by R+F) and work under R+F’s
12 rigid direction to promote and sell a variety of R+F skincare cosmetics products (collectively, the
13 “Products” or “R+F Products”). In exchange for Consultants’ work promoting and educating the
14 public about the brand and Products on online social media, acquiring new customers, engaging
15 existing customers, recruiting and training new Consultants, and driving traffic to R+F owned
16 websites, R+F pays Consultants at most a paltry commission when customers purchase products
17 from their own Personal R+F Website (“Consultant Websites”).

18 2. Dermatologists Dr. Katie Rodan and Dr. Kathy Fields founded the skincare brand
19 Rodan + Fields in 2002. In 2003, they sold their company to Estée Lauder Companies who launched
20 their products in department stores. Then in 2007, the duo repurchased R+F, launched their online
21 platform, and shifted R+F’s business model entirely to online sales and independent Consultants
22 rather than department stores.¹

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25 ¹ *About Us*, Rodan + Fields, <https://www.rodanandfields.com/en-us/about-us#:~:text=Rodan%20%2B%20Fields%20is%20a%20leading,confidence%20that%20comes%20with%20it>
[<https://perma.cc/YW88-6AG3>].

1 3. R+F achieved tremendous success through 2018 as it grew its workforce of
2 Consultants and it increased its revenue in tandem. Revenues skyrocketed an average of 93% per year
3 between 2010 and 2015, growing from \$24 million to \$627 million during those six years.² In 2016,
4 R+F had around 200,000 Consultants, and it exceeded \$1 billion in sales for the first time.³ In 2018,
5 private equity firm Texas Pacific Group (“TPG”) valued R+F at \$4 billion and purchased a minority
6 stake in the company.⁴ That year, R+F had 411,000 Consultants,⁵ and Moody’s Investors Service
7 (“Moody’s”) reported that R+F “generate[d] about \$1.7 billion in annual revenue.”⁶ Each year since,
8 Consultant enrollment figures have declined. Predictably, annual revenues have, too. In 2022, R+F’s
9 revenue reduced to \$700 million, and it had a workforce of only 197,000 Consultants.⁷ Since 2018,
10 Moody’s, which periodically evaluates R+F’s creditworthiness, has issued multiple downgrades and
11 reported that “continued underperformance with sales . . . [has been] fueled by a significant decline
12 in new enrollment of its Independent Sales Consultants.”⁸

13 4. R+F’s success—and ability to avoid accountability for its employees thus far—turns
14 on the fact that it operates as multi-level marketing business (“MLM”). R+F’s recruitment tactics

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16 ² Kate Vinton, *How Two Dermatologists Built A Billion Dollar Brand In Their Spare Time*, Forbes (Jun. 1, 2016),
<https://www.forbes.com/sites/katevinton/2016/06/01/billion-dollar-brand-proactiv-rodan-fields/?sh=79662f2c3bfc> [https://perma.cc/E3VF-UGQ5].

17 ³ See e.g., Michelle Castillo, *How Rodan + Fields bought back their skincare company and topped \$1 billion in sales*,
CNBC (Jan. 17, 2018), <https://www.cnbc.com/2017/12/30/rodan-fields-selfies-and-social-media-1-billion-revenue.html> [https://perma.cc/N5K5-KYME].

18 ⁴ Lisette Voytko, *A Wrinkle In Time: Why Rodan + Fields’ Founders Lost Their Billionaire Status*, Forbes (October
19 13, 2020); <https://www.forbes.com/sites/lisettevoytko/2020/10/13/a-wrinkle-in-time-why-rodan--fields-founders-lost-their-billionaire-status/?sh=4f634a2064b2> [https://perma.cc/7TRX-BXPP]; see also Megan
20 Carroll, *Leading Skincare Brand Rodan + Fields Partners With TPG* (May 3, 2018),
<https://www.rodanandfields.com/en-us/press/leading-skincare-brand-rodan-and-fields-partners-with-tpg>
[https://perma.cc/G36P-CUJ4].

21 ⁵ Voytko, *supra*, n.4.; see also Carroll, *supra*, n.4.

22 ⁶ *Moody’s assign B1 CFR to Rodan & Fields; outlook stable*, Rating Action (May 23, 2018),
https://www.moodys.com/research/Moodys-assign-B1-CFR-to-Rodan-Fields-outlook-stable-Rating-Action-PR_383607 [https://perma.cc/MSF6-GN7A] (reporting that R+F “generates about \$1.7 billion in annual
23 revenue”).

24 ⁷ R+F *Income Disclosure Statements 2022-2019* (Exh. C) at p. 2.

25 ⁸ *Moody’s downgrades Rodan + Fields’ CFR to B3; ratings remain on review for downgrade*, Rating Action (Jan. 24,
2020); https://www.moodys.com/research/Moodys-downgrades-Rodan-Fields-CFR-to-B3-ratings-remain-Rating-Action-PR_417592 [https://perma.cc/TQK8-VBNT] (reporting that the company “generates about
\$1.3 billion in annual revenue”).

1 purportedly promise its prospective Consultants the opportunity to build a business.⁹ The reality of
2 working for R+F is starkly different, though. Consultants supply free brand awareness and perform
3 uncompensated marketing of R+F Products, sales support for existing and new customers, and
4 onboarding support and periodic trainings for other Consultants that would otherwise cost R+F
5 millions of dollars annually.

6 5. R+F Consultants market and sell R+F Products under its pervasive control and
7 direction. Selling product—the main responsibility of Consultants—is work that is precisely in line
8 with R+F’s usual course of business. Despite their title as a Consultant,” they function as R+F’s
9 salesforce and are not engaged in an independently established trade, occupation, or business as
10 salespeople.

11 6. While the MLM industry has long relied on “direct sales” exemptions to justify its
12 exploitation of sales personnel, the California Exemption was written 40 years ago, and among other
13 things, is expressly limited only to those salespersons making “in person” sales, such as door-to-door
14 salespeople and home “Tupperware party” hosts. It does not cover R+F’s modern, online business
15 model, where Consultants drive social media engagement under its guidance and direction, directing
16 consumers to R+F-controlled websites, where R+F accepts and processes the sales and fulfills the
17 orders, while also collecting and benefiting from the consumer data it acquires from these leads.

18 7. To protect its intellectual property, brand image, and legal interests, R+F requires
19 Consultants to comply with a byzantine series of rules and regulations. The central document is the
20 “Policies and Procedures,” a massive document spanning more than 100 pages when taking into
21 account its many appendices. There, R+F includes directives for Consultants to learn and utilize to
22 market Products consistent with its instructions and any additional documents, notices, and guidelines
23 provided to Consultants by R+F throughout their working relationship with the company. Together,

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25 ⁹ See Exh. C at p. 1 (describing the work of a Consultant as “build[ing] an R+F business,” comprised of
“Product Ambassadors” and three types of “Business Builders”).

1 these documents detail the ways in which R+F exerts significant control over Consultants in their
2 limited, but critical role as social media marketers.

3 8. R+F does not require or even suggest that sales be made “in person.” R+F places
4 cumbersome restrictions on when and how Consultants may order products and limits the locations
5 in which the products may be sold, effectively preventing any meaningful sales that are “in person.”
6 R+F treats “in person” sales as outside of its elaborate “Compensation Plan,” in other words,
7 Consultants cannot build out their business through in person sales because they are not calculated
8 for the purposes of Achievement Rewards or advancing commissions brackets. R+F explicitly
9 “discourages Consultants from engaging in door-to-door solicitation for sales.” *Policies & Procedures*
10 (Exh. B) § 6o(iv). The result is that virtually all sales occur via R+F-controlled websites, where R+F
11 supplies the content, sets the prices, and fulfills the order.

12 9. R+F has been able to recruit Consultants in part because its Products offerings and
13 business model lend itself so well to online marketing, and because R+F prioritizes business resources
14 to streamline the Consultants’ online marketing work. R+F leadership touts that they “don’t use the
15 regular marketing and advertising” and that “everything in Rodan + Fields is run on [Consultants’]
16 smartphone[s].”¹⁰

17 10. The lack of discretion R+F gives to its Consultants is evidenced by the fact that few
18 can or do actually earn money under its compensation structure. For instance, in 2022, 33% of
19 Consultants, did not receive a single commission check during the entire year.¹¹ Many more saw their
20 meager commissions erased by R+F’s monthly fee of \$24.95—required for anyone wanting access to
21 their own Consultant Websites and the various online tools and platforms needed to perform their
22 work. R+F only tracks the percentage that received commission, not whether Consultants earned net
23 income from their hard work after deducting for purchases necessary to perform the work.

24 ¹⁰ Castillo, *supra*, n.3.

25 ¹¹ Exh. C at p. 2.

1 11. The willful, intentional nature of R+F’s decision to misclassify its California
2 Consultants is apparent from its decision to operate as an MLM, a business model that virtually
3 guarantees the company will secure hundreds of thousands of hours of free or below-market labor
4 each year to execute a centralized marketing and growth strategy. Moreover, R+F’s willful decision to
5 misclassify its salesforce is evident from its choice to remain organized in this way years after the
6 California Supreme Court’s seminal decision in *Dynamex v. Superior Court*, 4 Cal. 5th 903 (2018) and the
7 California legislature’s codification of the “ABC Test” in AB 5, both of which made clear that its
8 salesforce were in fact employees, in the manner R+F deploys and relies on them. In press releases
9 and interviews over the years, R+F executives have repeated extolled the work of the Consultant
10 Community and its low-cost compensation scheme. As both an MLM and a California-based
11 company, R+F knew the law. It is a sophisticated corporate actor and an active member of a national
12 trade association (Direct Selling Association) that issues guidance and warnings to MLMs as to the
13 changing law on misclassification.

14 12. Plaintiff Lauren Dann was one such victim of Rodan + Fields’s practices. Like all
15 Consultants, Plaintiff was trained by other Consultants and R+F materials, and she was required to
16 market and sell Products to the public in accordance with R+F’s directives and strict limitations. In
17 return, Plaintiff was paid virtually nothing, while incurring unreimbursed personal costs to perform
18 the work on R+F’s behalf.

19 13. For these reasons, Plaintiff brings this action to recover unpaid wages, overtime
20 compensation, penalties, interest, injunctive relief, other equitable remedies, damages, and reasonable
21 attorneys’ fees and costs under the California Labor Code, Cal. Lab. Code §§ 201, 202, 203, 204,
22 226(a), 226.7, 226.8, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802 and 2698 *et seq.* (the “CLC”),
23 IWC Wage Order 4 (8 Cal. Code Regs. § 11040), and California Unfair Competition Law (Cal Bus. &
24 Prof Code §§ 17200 *et seq.*). In addition, Rodan + Fields’s conduct violates various municipal and
25 county codes in California, including but not limited to City of L.A. Cal. Code art. 7-7.5; County of

1 Los Angeles Code § 8.100.040, *et seq.*, San Francisco Cal. Code 12R.

2 14. Upon information and belief, R+F has not addressed and/or changed its unlawful
3 practices and has continued to deprive employees of millions of dollars in straight and overtime
4 compensation. By bringing this action, Plaintiff intends to stop this ongoing and unlawful practice and
5 recover back wages and overtime to which she is rightfully entitled.

6 **II. JURISDICTION AND VENUE**

7 15. The monetary damages, civil penalties, restitution, and equitable relief sought by
8 Plaintiff and the class members exceed the minimal jurisdiction limits of the Superior Court and will
9 be established according to proof at trial.

10 16. This Court has jurisdiction over this action pursuant to the California Constitution,
11 Article VI, section 10. The statutes under which this action is brought do not specify any other basis
12 for jurisdiction.

13 17. This Court has jurisdiction over all Defendants because, upon information and belief,
14 Defendants are citizens of California, have sufficient minimum contacts in California, or otherwise
15 intentionally avail themselves of the California market so as to render the exercise of jurisdiction over
16 them by California courts consistent with traditional notions of fair play and substantial justice.
17 Moreover, the acts and omissions detailed herein occurred in California.

18 18. Venue is proper in this Court because a majority of the acts, events, and violations
19 occurred in this County. Upon information and belief, Defendants maintain offices—indeed, its
20 principal office—and have agents, employ individuals, and/or transact business in the State of
21 California, County of San Francisco.

22 **III. THE PARTIES**

23 19. Plaintiff Lauren Dann is an individual and resident of Ventura, California.

24 20. Rodan + Fields, LLC, known as Rodan + Fields or R+F. R+F has its principal place
25 of business in San Ramon, California, and is incorporated under the laws of the State of Delaware.

1 21. Plaintiff is informed and believes and based thereon alleges that DR. KATIE RODAN
2 is, and at all times relevant hereto was, an individual residing in California, as well as Founder for
3 Rodan + Fields, LLC, and DOES 1-100, as further defined below. Plaintiff is further informed and
4 believes and based thereon alleges that DR. KATIE RODAN, in her capacity as Founder of Rodan
5 + Fields, LLC, exercised control over the wages, hours and/or working conditions of Plaintiff and
6 other aggrieved employees, including by informing employees when to report to work and what work
7 hours should actually be recorded, violated, or caused to be violated, the above-referenced and below-
8 referenced Labor Code provisions in violation of Labor Code section 558.1.

9 22. Plaintiff is informed and believes and based thereon alleges that DR. KATHY
10 FIELDS is, and at all times relevant hereto was, an individual residing in California, as well as Founder
11 for Rodan + Fields, LLC, and DOES 1-100, as further defined below. Plaintiff is further informed
12 and believes and based thereon alleges that DR. KATHY FIELDS, in her capacity as Founder of
13 Rodan + Fields, LLC, exercised control over the wages, hours and/or working conditions of Plaintiff
14 and other aggrieved employees, including by informing employees when to report to work and what
15 work hours should actually be recorded, violated, or caused to be violated, the above-referenced and
16 below-referenced Labor Code provisions in violation of Labor Code section 558.1.

17 23. Plaintiff is informed and believes and based thereon alleges that DIMITRI
18 HALOULOS is, and at all times relevant hereto was, an individual residing in California, as well as
19 Chief Executive Officer for Rodan + Fields, LLC, and DOES 1-100, as further defined below.
20 Plaintiff is further informed and believes and based thereon alleges that DIMITRI HALOULOS, in
21 his capacity as the Chief Executive Officer of Rodan + Fields, LLC, exercised control over the wages,
22 hours and/or working conditions of Plaintiff and other aggrieved employees, including by informing
23 employees when to report to work and what work hours should actually be recorded, violated, or
24 caused to be violated, the above-referenced and below-referenced Labor Code provisions in violation
25 of Labor Code section 558.1.

1 24. Plaintiff is informed and believes and based thereon alleges that TIM ENG is, and at
2 all times relevant hereto was, an individual residing in California, as well as Interim Chief Financial
3 Officer for Rodan + Fields, LLC, and DOES 1-100, as further defined below. Plaintiff is further
4 informed and believes and based thereon alleges that TIM ENG, in his capacity as the Interim Chief
5 Financial Officer of Rodan + Fields, LLC, exercised control over the wages, hours and/or working
6 conditions of Plaintiff and other aggrieved employees, including by informing employees when to
7 report to work and what work hours should actually be recorded, violated, or caused to be violated,
8 the above-referenced and below-referenced Labor Code provisions in violation of Labor Code section
9 558.1.

10 25. Plaintiff is informed and believes and based thereon alleges that LAURA BEITLER
11 is, and at all times relevant hereto was, an individual residing in California, as well as Chief Global
12 Sales Officer for Rodan + Fields, LLC, and DOES 1-100, as further defined below. Plaintiff is further
13 informed and believes and based thereon alleges that LAURA BEITLER, in her capacity as the Chief
14 Global Sales Officer of Rodan + Fields, LLC, exercised control over the wages, hours and/or working
15 conditions of Plaintiff and other aggrieved employees, including by informing employees when to
16 report to work and what work hours should actually be recorded, violated, or caused to be violated,
17 the above-referenced and below-referenced Labor Code provisions in violation of Labor Code section
18 558.1.

19 26. Plaintiff is informed and believes and based thereon alleges that DALIA STODDARD
20 is, and at all times relevant hereto was, an individual residing in California, as well as Chief Brand and
21 Innovation Officer for Rodan + Fields, LLC, and DOES 1-100, as further defined below. Plaintiff is
22 further informed and believes and based thereon alleges that DALIA STODDARD, in her capacity
23 as the Chief Brand and Innovation Officer of Rodan + Fields, LLC, exercised control over the wages,
24 hours and/or working conditions of Plaintiff and other aggrieved employees, including by informing
25 employees when to report to work and what work hours should actually be recorded, violated, or

1 caused to be violated, the above-referenced and below-referenced Labor Code provisions in violation
2 of Labor Code section 558.1.

3 27. Plaintiff is informed and believes and based thereon alleges that JESSICA RAEFIELD
4 is, and at all times relevant hereto was, an individual residing in California, as well as Chief Human
5 Resources Officer for Rodan + Fields, LLC, and DOES 1-100, as further defined below. Plaintiff is
6 further informed and believes and based thereon alleges that JESSICA RAEFIELD, in her capacity
7 as the Chief Human Resources Officer of Rodan + Fields, LLC, exercised control over the wages,
8 hours and/or working conditions of Plaintiff and other aggrieved employees, including by informing
9 employees when to report to work and what work hours should actually be recorded, violated, or
10 caused to be violated, the above-referenced and below-referenced Labor Code provisions in violation
11 of Labor Code section 558.1.

12 28. Plaintiff is informed and believes and based thereon alleges that JANINE WEBER is,
13 and at all times relevant hereto was, an individual residing in California, as well as Senior Vice
14 President, North American Sales for Rodan + Fields, LLC, and DOES 1-100, as further defined
15 below. Plaintiff is further informed and believes and based thereon alleges that JANINE WEBER, in
16 her capacity as the Senior Vice President, North American Sales of Rodan + Fields, LLC, exercised
17 control over the wages, hours and/or working conditions of Plaintiff and other aggrieved employees,
18 including by informing employees when to report to work and what work hours should actually be
19 recorded, violated, or caused to be violated, the above-referenced and below-referenced Labor Code
20 provisions in violation of Labor Code section 558.1.

21 29. Plaintiff alleges that Defendants RODAN + FIELDS, LLC, DR. KATIE RODAN,
22 DR. KATHY FIELDS, DIMITRI HALOULOS, TIM ENG, LAURA BEITLER, DALIA
23 STODDARD, JESSICA RAEFIELD, and JANINE WEBER are “persons” who violated or caused
24 to be violated California Labor Code §§ 558, and 1197.1 and the Industrial Welfare Commission
25 (“IWC”) Wage Orders.

1 30. The true names and capacities of Defendants sued as DOES 1-100, inclusive, are
2 unknown to Plaintiff, who therefore sues said Defendants by such fictitious names pursuant to section
3 474 of the California Code of Civil Procedure. Plaintiff will seek leave to amend this Demand when
4 said true names and capacities have been ascertained.

5 **IV. FACTS COMMON TO ALL CLASS MEMBERS**

6 **A. Rodan + Fields Is a Successful Multilevel Marketing Company That Is**
7 **Dependent on its Consultants to Engage in Social Media Marketing on Its**
8 **Behalf**

9 31. Rodan + Fields was founded 2002 by dermatologists Dr. Katie Rodan and Dr. Kathy
10 Fields with the mission of “giv[ing] consumers the best skin of their lives.”¹² The founders describe
11 their company and brand as “Born in the digital era and designed to directly reach consumers where
12 they live and shop via mobile and social networks, Rodan + Fields is disrupting the industry with its
13 regimen-based skincare and powerful Independent Consultant community.”¹³ Accordingly, Rodan +
14 Fields promotes the positive impact that it has on Consultants’ by providing them opportunities to
15 build their own businesses.

16 32. In 2003, the Dr. Katie Rodan and Dr. Kathy Fields sold their company to Estée Lauder
17 Companies, which launched their products in department stores. In 2007, after observing for that
18 “retail was dying,”¹⁴ the founders bought back their company. It remains privately held.

19 33. Believing that word-of-mouth was an authentic way to share information about
20 its products, the 2008 relaunch used a “Consumer Connected Commerce business model.”¹⁵
21 In other words, the entire business model—and the founder’s decision to repurchase their

22 ¹² *RODAN + FIELDS’ INNOVATION PREVAILS; COMPANY NAMED THE #1 SKINCARE*
23 *BRAND IN U.S. AND NORTH AMERICA IN 2018*, Rodan + Fields,
24 [https://www.rodanandfields.com/en-us/press/rodan-and-fields-named-number-one-skincare-brand-us-](https://www.rodanandfields.com/en-us/press/rodan-and-fields-named-number-one-skincare-brand-us-north-america-2018)
[north-america-2018](https://www.rodanandfields.com/en-us/press/rodan-and-fields-named-number-one-skincare-brand-us-north-america-2018) [https://perma.cc/9CHD-TLG3].

¹³ *Id.*

¹⁴ Castillo, *supra*, n.3.

¹⁵ *About Us*, *supra*, n1.

1 company—rested on the opportunity to shift to online sales and work to be performed by
2 Consultants.¹⁶

3 34. After repurchasing R+F, Dr. Rodan and Dr. Fields launched their online platform and
4 shifted R+F's business model entirely to online sales and decided to rely predominantly on
5 independent contractors to sell their Products rather than department stores.¹⁷ It began operating as
6 an MLM, “powered by a direct selling business model and Independent Consultant Community.”¹⁸
7 By 2016, R+F had enrolled approximately 200,000 Consultants to sell its Products, and that year
8 exceeded \$1 billion in sales.¹⁹ In 2017, it reached over \$1.5 billion in sales.²⁰ Then, R+F's annual
9 revenue peaked in 2018 at \$1.7 billion²¹—the same year that private equity firm TPG valued the
10 company at \$4 billion and purchased a minority stake in the company.²² Subsequently, Moody's
11 Investors Services began reviewing the business to evaluate its creditworthiness,²³ and has repeatedly
12 recognized that “Independent Sales Consultants are a significant driver of growth across the
13 company's multi-level marketing business model.”²⁴

14 ¹⁶ *Id.*

15 ¹⁷ *Id.*

16 ¹⁸ *Rodan + Fields Adds New Talent To Their Leadership Team As Together With Their Consultant Community They
17 Power Forward Their Life-Changing Mission*, PR Newswire, [https://www.prnewswire.com/news-releases/rodan--
18 fields-adds-new-talent-to-their-leadership-team-as-together-with-their-consultant-community-they-power-
19 forward-their-life-changing-mission-301359190.html](https://www.prnewswire.com/news-releases/rodan--fields-adds-new-talent-to-their-leadership-team-as-together-with-their-consultant-community-they-power-forward-their-life-changing-mission-301359190.html) [https://perma.cc/K89F-N37E].

20 ¹⁹ See e.g., Castillo, *supra*, n.3.

21 ²⁰ *RODAN + FIELDS NAMED THE #1 SKINCARE BRAND IN THE U.S. AND NORTH AMERICA
22 IN 2017*, Rodan + Fields, [https://www.rodanandfields.com/en-us/press/rodan-and-fields-number-one-
23 skincare-brand-us-north-america](https://www.rodanandfields.com/en-us/press/rodan-and-fields-number-one-skincare-brand-us-north-america) [https://perma.cc/SR5Z-JJAH].

24 ²¹ *Moody's assign B1 CFR to Rodan & Fields; outlook stable*, *supra*, n.6 (reporting that R+F “generates about \$1.7
billion in annual revenue”).

25 ²² Voytko, *supra*, n.4; see also Carroll, *supra*, n.4.

²³ See generally, *Rodan & Fields, LLC, Moody's Investor Services Rating Action*,
[https://www.moody's.com/credit-ratings/Rodan-Fields-LLC-credit-rating-
830322318/reports?category=Ratings and Assessments Reports rc|Issuer Reports rc&type=Rating Actio
n rc|Announcement of Periodic Review rc,Credit Opinion ir rc|Issuer Reports rc](https://www.moody's.com/credit-ratings/Rodan-Fields-LLC-credit-rating-830322318/reports?category=Ratings and Assessments Reports rc|Issuer Reports rc&type=Rating Action rc|Announcement of Periodic Review rc,Credit Opinion ir rc|Issuer Reports rc)
[https://perma.cc/77NC-XHUW].

²⁴ See e.g., *Moody's downgrades Rodan + Fields' CFR to Caa2; outlook negative*, Moody's Investors Services Ratings
Action (April 7, 2020), [https://www.moody's.com/research/Moody's-downgrades-Rodan-Fields-CFR-to-
Caa2-outlook-negative-Rating-Action--PR_422039](https://www.moody's.com/research/Moody's-downgrades-Rodan-Fields-CFR-to-Caa2-outlook-negative-Rating-Action--PR_422039) [https://perma.cc/4BQ7-HJW7] (“Weak operating
performance has been a result of significant declines in the company's independent sales consultants. The
company's independent consultants and their preferred customers are a significant revenue driver across the

1 35. While all Consultants are engaged in work marketing the products to consumers, those
2 who have not built a Downline are sometimes referred to as “Product Ambassadors,” whereas those
3 with at least one Downline are sometimes referred to as “Business Builders.”

4 36. Consultants are responsible for marketing and generating brand awareness; they drive
5 social media engagement, posting on Instagram and other social media outlets. For example, in
6 advance of the launch of a new Product, R+F urges its Consultants to purchase and promote the
7 product on social media using R+F talking points and graphics and to direct customers to R+F-
8 controlled websites to make their purchases. Consultants heed to R+F’s directives and also pass this
9 information on to their Downlines, who in turn promote the product to customers on social media as
10 well. The result is a coordinated marketing campaign that increases exposure and awareness of the
11 product release— and the R+F brand more broadly, and is a critical part of R+F’s marketing strategy.
12 The reality is, R+F expects and incentivizes Consultants to be generating brand awareness and
13 marketing products all the time— and to instruct and coach their Downlines’ to do the same.

14 37. R+F Leadership continuously praises the Consultants for their work promoting the
15 R+F brand and attributes R+F’s success to their commitment and hard work. After R+F was named
16 the number one in skincare brand in the United States and across North America, both for the second
17 time, former CEO and President, Diane Dietz, shared:

18 “We’re excited to be recognized in so many great categories by Euromonitor but what really
19 inspires us is seeing our Founders’ vision come to life and giving people healthy skin and the
20 confidence that goes with it. These accolades are a testament to our powerful Independent
21 Consultant community who are tremendous brand advocates and who energize us to bring
22 more innovative and life-changing products to markets around the world.”²⁵

23 38. R+F views Consultants as the product of a product, in that the Consultant’s own
24 personal skincare success is the “product” of using R+F Products, and it directs them to market R+F

25 company’s direct selling business model, and the ongoing declines in active representatives continues to
negatively affect business performance.”).

²⁵ *RODAN + FIELDS’ INNOVATION PREVAILS; COMPANY NAMED THE #1 SKINCARE BRAND IN U.S. AND NORTH AMERICA IN 2018*, *supra*, n.12.

1 Products accordingly. R+F encourages and incentivizes Consultants to purchase products for personal
2 consumption,²⁶ and accordingly urges Consultants to regularly post about their R+F skincare regimen
3 and write testimonials about the products, both on social media and through R+F developed
4 marketing campaigns.²⁷ To facilitate their marketing work, R+F continuously develops internal tools
5 for the Consultants to more efficiently share their experiences on social media, i.e., “to share in a
6 repeatable way over and over again”—both using the products and as a Consultant for R+F.²⁸

7 39. R+F has had a salesforce of between ~200,000 and ~400,000 Consultants each year
8 for the past seven years, comprised almost exclusively of women²⁹, that it relies on to build brand
9 awareness and to increase its salesforce of Consultants, i.e., to recruit other Consultants. R+F ensures
10 that social media is saturated with posts about R+F Products and testimonials as to the quality and
11 effectiveness of its Products. R+F’s millions and even a few years of over a billion dollars in revenue
12 is attributable to the Consultants. Meanwhile, in 2022, the median earnings across Consultants who
13 were paid was a measly \$366; notably, 33% of the 192,000 Consultants did not receive a single
14 paycheck that year.³⁰ R+F has profited for the past 16 years off of the unpaid labor of the Consultants.

15 40. But despite their inextricably vital role to R+F’s success, R+F has never properly
16 classified its salesforce—Consultants—as employees. Rather, R+F transitioned into an MLM in 2007,

18 ²⁶ R+F created the Consultant Replenishment Program, “an optional auto-ship program that provides you
19 with the convenience of receiving regular monthly shipments of your Rodan + Fields (R+F) products.” *How*
20 *do I enroll in the Consultant Replenishment Program (CRP)?*, Rodan + Fields,
[https://www.rodanandfields.com/helpcenter/s/article/How-do-I-enroll-in-the-Consultant-Replenishment-
21 Program-CRP?language=en_US](https://www.rodanandfields.com/helpcenter/s/article/How-do-I-enroll-in-the-Consultant-Replenishment-Program-CRP?language=en_US) [https://perma.cc/E87F-QDDH].

22 ²⁷ See, e.g., Jenny Vetter, *Rodan + Fields: A Season of Transformation and Celebration*, Direct Selling News (April 4,
2022), [https://www.directsellingnews.com/2022/04/04/rodan-fields-a-season-of-transformation-and-
23 celebration/](https://www.directsellingnews.com/2022/04/04/rodan-fields-a-season-of-transformation-and-celebration/) [https://perma.cc/K553-CJP2] (describing changes R+F implemented under new leadership
after extensive efforts to better understand the Consultant experience and re-engage Consultants, including
the 2022 “Make It Yours” Campaign,” which advertised how current Consultants have leveraged
opportunities with R+F).

24 ²⁸ *Id.*

25 ²⁹ This is consistent with the gender distribution of Consultants across MLMs. See generally, *Direct Selling in the*
United States 2022 Industry Overview, Direct Selling Association, [https://www.dsa.org/docs/default-
26 source/industry-fact-sheets/dsa-2022g-ofactsheetv4.pdf?sfvrsn=c51ed2a5_2](https://www.dsa.org/docs/default-source/industry-fact-sheets/dsa-2022g-ofactsheetv4.pdf?sfvrsn=c51ed2a5_2) [https://perma.cc/G9K5-
A8FT].

³⁰ Exh. C at pp. 1-2. 2019-2021 Income Statements show similar poor outcomes. See generally *id.* at pp. 3-8.

1 in which it would offer people the purported “opportunity” to develop their own business earning
2 commission by selling R+F Products and recruiting others to do the same, designating them as
3 “independent contractors.” *Independent Consultant Agreement*, last updated Jul. 2023 (Exh. A).

4 41. However, these Consultants are not independent contractors under applicable law.
5 Rather, R+F created the Independent Consultant “opportunity” to secure an expansive marketing and
6 sales network for minimal to no cost. It has reaped enormous profits by deliberately avoiding paying
7 wages and benefits to those performing the sales work that forms the backbone of R+F’s business
8 model and revenue generation. R+F charges its Consultants for access to the instrumentalities needed
9 to sell products online, specifically a Business Starter Kit and an R+F Personal Website, further
10 increasing R+F’s profits and/or reducing its operating costs and decreasing Consultants’ income, in
11 violation of California law. The intended result is for Consultants to receive, at most, de minimis profit
12 for their work, while providing free labor and shouldering the costs of doing business that R+F should
13 be bearing.

14 **B. Rodan + Fields Consultants Are Employees**

15 **1. Controlling Law**

16 42. Companies like R+F were never supposed to be allowed to run an entire business on
17 the backs of independent contractors. People who work in a company’s core line of business are its
18 “employees.” *United States v. Silk*, 331 U.S. 704, 718 (1947).

19 43. R+F claims an unprecedented portion of its workforce as “independent contractors;”
20 whereas hundreds of thousands of Consultants work for R+F, the private company appears to have
21 fewer than 500 employees. And while R+F continues to invest more funds in the Consultant
22 experience to recover from the dip in Consultant enrollment the past couple of years,³¹ R+F has
23

24 ³¹ *Moody’s downgrades Rodan + Fields’ CFR to B3; supra*, n.8 (explaining R+F’s underperformance in sales due to
25 the decrease in Independent Consultants, and noting that, “[a]t the same time, the company continues to
make significant investment in systems, tools and capability to drive Independent Sales Consultant
enrollment, which hurt profit margins.”).

1 completed multiple rounds of layoffs of its “employees,” including most recently laying off 70
2 employees in October 2023.³² R+F employees workers in a variety of roles, such as accounting and
3 finance, supply chain management, product development, sales managers, and field specialists. For
4 example, in 2021, R+F hired a Chief Global Sales Officer, “responsible for the Global Sales
5 Organization and business related to the brand’s Independent Consultant salesforce[.]” and tasked
6 with “lead[ing] he Business Development, Field Operations, Field Marketing and Communications,
7 and the Recognition and Learning + Development functions.”³³ These teams are comprised of
8 employees with diverse skillsets, including marketing and strategy professionals that “optimiz[e]
9 business marketing via social media platforms,” work directly with Consultants to drive success and
10 engagement of Consultants, and develop tools and materials to support Consultants.³⁴ These workers
11 receive competitive benefits from R+F, including health insurance, tuition reimbursement, paid time
12 off (for holidays and paternity leave), and annual bonus opportunity, as well as perks, like monthly
13 complimentary R+F Products.³⁵ Consultants receive none these perks or benefits.

14 44. But the Consultants, referred to by R+F as the “Consultant Community,” who make
15 up the bulk of R+F workforce, are denied even the most basic protections of federal and state labor
16 laws. R+F does not pay them minimum wage; it does not pay overtime; and it does not reimburse
17 business expenses, such as internet connections, laptops, smart phones, R+F Products, hosting events,
18 or expenses incurred from social media video production over Facebook, YouTube, and Instagram.
19 R+F’s classification of its Consultants also deprives them of basic protections against discrimination
20 and sexual harassment.

21 _____
22 ³² See, e.g., *San Ramon Company To Lay Off 76 Workers*, Patch.com (Sept. 20, 2023),

23 <https://patch.com/california/sanramon/san-ramon-company-lay-76-workers> [https://perma.cc/V4DY-
R8PG]; see also *Vetter*, *supra*, n.27 (describing the ways in which it was enhancing the Consultant experience to
24 continue building out the community and increasing brand awareness).

25 ³³ *Rodan + Fields Adds New Talent To Their Leadership Team As Together With Their Consultant Community They
Power Forward Their Life-Changing Mission*, *supra*, n.18.

³⁴ See e.g., *Job Postings* for Associate Manager of Global Programs & Incentives; Field Marketing Manager; Field
Communications Specialist (2023) (Exh. D).

³⁵ *Careers*, Rodan + Fields, <https://www.rodanandfields.com/en-us/careers> [https://perma.cc/QZ99-HX3F].

1 45. By design, “independent contractors” are exempted from “nearly every” labor law, but
2 this classification was not meant to be a loophole for companies like R+F, whose Consultants are
3 effectively modern day telemarketers.³⁶ “Historically, firms reserved the independent contractor
4 designation for entrepreneurial individuals whose skills demanded higher pay in the open market.”³⁷
5 With this in mind, “[l]egislatures rationalized excluding [independent contractors] from most
6 employment laws because these individuals did not require the same legal protections as potentially
7 more vulnerable, less-skilled ‘employees.’”³⁸

8 46. Today, R+F preys upon many of the most vulnerable members of society. Despite
9 MLMs being a \$40 billion industry, “the vast majority of people involved in them don’t make money
10 off of MLMs, and many people lose money.”³⁹ R+F Consultants are no exception: according to R+F’s
11 Income Disclosure Statement in 2022, 33% of Consultants received no commission payment that
12 year, and the median earnings of those that received at least one paycheck was a mere \$366 over the
13 course of the entire year.⁴⁰

14 47. In recent years, state legislatures have taken action to send a clear message that most
15 workers should be “employees.”

16 48. California has adopted the “ABC test” to determine whether a company, like R+F,
17 has misclassified its workers as “independent contractors.” Because employee status was meant to be
18 the default, the ABC test “presumptively considers all workers to be employees and permits workers
19 to be classified as independent contractors only if the hiring business demonstrates that the worker in
20 question satisfies *each* of three conditions:

21 _____
22 ³⁶ Keith Cunningham-Parmeter, *From Amazon to Uber: Defining Employment in the Modern Economy*, 96 B.U. L.
Rev. 1673, 1683–84 (2016).

23 ³⁷ *Id.*

24 ³⁸ *Id.*

25 ³⁹ Emily Stewart, *\$5 Jewelry and an MLM Conference Gone Wrong: Multilevel marketing companies were the “perfect”
pandemic business*, VOX (Sept. 23, 2021), [https://www.vox.com/the-goods/22688317/mlm-covid-19-
pandemic-recruiting-sales-paparazzi](https://www.vox.com/the-goods/22688317/mlm-covid-19-pandemic-recruiting-sales-paparazzi) [https://perma.cc/8SC6-P9FF] (citing study finding that 99 percent of
MLM participants lose money).

⁴⁰ Exh. C at p. 1.

- 1 a. that the worker is free from the control and direction of the hirer in connection with
2 the performance of the work . . . *and*
3 b. that the worker performs work that is outside the usual course of the hiring entity’s
4 business; *and*
5 c. that the worker is customarily engaged in an independently established . . . business of
6 the same nature as that involved in the work performed.”

7 *Dynamex Operations West, Inc. v. Superior Court*, 4 Cal. 5th 903, 956–57 (2018) (emphasis in original).

8 **2. R+F Exerts Control Over Consultants**

9 49. To engage in marketing and sales work for R+F, the company does not require
10 Consultants to hold any special experience, skills, license, or education level. In fact, there is no space
11 in the application to document prior work experience or ability to upload one’s resume. Exh. A at 1.
12 As of August 2023, 67% of the Independent Consultants had no prior direct sales experience.⁴¹

13 50. Rather, R+F requires only that a prospective Consultant complete a short application
14 that requires her to disclosing basic contact information necessary for communication, providing a
15 “Sponsor’s” name (i.e., referring Consultant, for designating Downline Consultant relationships) and
16 agreeing to pay R+F \$75 for a “Business Starter Pack,” which is the cost of a 3-month subscription
17 to PULSE Pro, R+F’s proprietary tool for Consultants. The PULSE Pro subscription gives
18 Consultants access to an online dashboard for use in marketing, selling, and recruiting, as well as
19 enhanced tools for the Consultants’ Websites.

20 51. The application process suggests to Consultants that this initial payment is the only
21 payment to R+F required to become a Consultant. In reality, Consultants must pay additional fees to
22 R+F to be able to perform their work. Namely, after the initial three months, Consultants typically
23 pay \$24.95 a month for the “PULSE by Penny Pro” subscription program (“PULSE Subscription”).

24
25 ⁴¹ *Rodan + Fields At-A-Glance*, Rodan + Fields (Aug. 2023), <https://www.rodanandfields.com/en-us/assets/us/at-a-glance.pdf>.

1 While R+F suggests that the PULSE Subscription is optional, in reality, Consultants who do not
2 subscribe have even fewer meaningful opportunities for sales, as the PULSE Subscription is the only
3 way to obtain a personalized Consultant Website. Consultants can direct sales leads to their
4 customized domain (<https://<customsitename>.myrandf.com>), and any purchase made through their
5 Consultant Website is automatically credited to the Consultant. On the other hand, Consultants who
6 do not obtain a PULSE Subscription do not have their own unique domain and instead must direct
7 customers to the main R+F home page; from there, the customer must undertake a more convoluted
8 process to go to a Consultant lookup page, and search for the Consultant's name before placing their
9 order. Because Consultants can only receive commissions from online sales through R+F-controlled
10 websites, and they are prohibited from selling on any other online platform, the *only* way to guarantee
11 the receipt of commission from generating leads is to buy the PULSE Subscription, so that all leads
12 are directed to the Consultant's custom domain, where commission will be credited without additional
13 work on the part of the customer. The PULSE Subscription is so important that R+F encourages
14 Consultants to tell their recruits about its importance.

15 52. Although the Application lists the Business Starter Kit as the only expense to become
16 a Consultant all Consultants are also required to pay an annual renewal rate of \$25 to maintain their
17 status as a Consultant.

18 53. Upon acceptance of their application, all Consultants are required to adhere to a series
19 of terms and conditions, as well as documents purportedly incorporated by into those terms by
20 refence, all of which that R+F collectively refers to as the "Consultant Agreement." Exh. A at 1.
21 While the complicated ways in which the documents refer to one another makes it difficult, if not
22 impossible, to ascertain the complete set of terms and conditions consisting of the "Consultant
23 Agreement,"⁴² it currently appears to consist of documents such as:

24
25 ⁴² R+F routinely revises and updates certain terms in the various documents comprising the Consultant

- 1 o the Independent Consultant Application, available at Exh. A
- 2 o the R+F Policies and Procedures (“P&P”), available at Exh. B, which in turn includes various
- 3 appendices, including most critically:
 - 4 o the R+F Compensation Plan (“Compensation Plan”), Appx. B
 - 5 o the R+F Code of Business Ethics, Appx. C.
- 6 o the PULSE by Penny Business Management Suite Terms & Conditions (“PULSE Terms &
- 7 Conditions”), Exh. E
- 8 o additional terms in the paywall-protected Consultant “Library”
- 9 o the Privacy Policy (Exh. G) and R+F Terms and Conditions (Exh. H) associated with the use
- 10 of the rodanandfields.com website.

11 54. Both the “Independent Consultant Application” and the P&P provide that
12 Consultants are to be considered independent contractors. Exh. A at 2; Exh. B § 3b. While R+F
13 periodically updates the documents to make minor, routine updates, all versions contain language
14 providing that Consultants are to be considered independent contractors, including the version in use
15 at the time of Plaintiff’s enrollment in 2019.

16 55. The P&P alone are approximately 100 pages plus long and set out most of the
17 requirements of the Consultants. In particular, the “R+F Code of Business Ethics,” requires
18 Consultants to “comply with all legal obligations that apply under your Rodan + Fields Consultant
19 Agreement,” which incorporates all restrictions laid out in the P&P, including those governing
20 marketing and sales in accordance with R+F directives. Exh. B, Appx C at C1.; *see also* Exh. A at 2, §
21 5 (“Consultant agrees to . . . otherwise comply at all times with all applicable laws, regulations and
22 rules in addition to all terms of the Consultant Agreement.”).

23 56. Because R+F treats the Consultants as independent contractors, it does not pay them

24
25 Agreement; the attached documents are the most recent versions. While some minor changes have been made
over the years, the general nature of the consultant role and responsibilities have not.

1 any salary, wages, or benefits or offer reimbursement for business related expenses. Rather, as is typical
2 in the MLM industry, the R+F Compensation Plan provides for two overarching types of
3 compensation: (1) for sales the Consultant made to consumers through R+F controlled websites,⁴³
4 the Consultant receives a small percentage as a commission, either 17% or 24%, depending certain
5 factors, *see infra*, ¶ 168; and (2) if the Consultant builds a “Downline,” i.e., recruits other new
6 Consultants to market and sell R+F Products and recruit more Consultants, then the “Upline”
7 Consultant receives commissions for sales made by those Consultants in their downline.⁴⁴

8 57. All Product sales “directly to [one’s] personal Customers for a profit that [are] earned
9 outside the Compensation Plan.” Exh. B, Appx A at A1. Notably, the P&P does not indicate whether
10 sales when the Consultant takes a loss are captured by the Compensation Plan, i.e., whether the
11 Consultant is eligible to earn commissions since they did not profit or whether the sale counts as
12 “Sales Volume” to achieve status as an “Active Consultant” and advance to a higher commissions
13 bracket for those traditionally under the Compensation Plan. *See infra*, ¶ 168. Whether or not the
14 product is even resellable to customer is heavy restricted. *See* Exh. B § 10e (listing five restrictions on
15 the items themselves which Consultants purchase with their personal funds).

16 58. Under the Compensation Plan, Consultants are responsible for all expenses. The one-
17 time Business Starter Kit fee is non-waivable. R+F does not reimburse Consultants for the purchases,
18 or for the costs of a cell phone, internet, and other routine business expenses. And as set forth above,
19

20 ⁴³ When a customer purchases from R+F’s website directly or by telephone, rather than a Consultant’s Website,
21 a Consultant will only receive commissions if the customer provides the Consultant’s Customer Identification
22 Number (CID) “to assist Rodan + Fields in connecting [Customers] and business prospects to the Consultant’s
23 account.” Exh. B, Appx. B at B2-3; *see also* Exh. B § 8 (listing telephone as an approved ordering method that
24 may be linked to Commissions and Achievement Awards under the Compensation Plan).

25 ⁴⁴ The “Upline” and “Downline” concepts are the hallmark of the MLM structure. To illustrate, when an
established Consultant, whom we will call “Amy,” recruits a friend, whom we will call “Sarah,” to be a
Consultant, Sarah is in Amy’s Downline; and Amy is in Sarah’s Upline. If Sarah in turn recruits a new
Consultant, whom we will call “Rachel,” then Sarah has an Upline (to Amy) and a Downline (to Rachel); the
established Consultant Amy now has two levels to her Downline, to Sarah (first level), and Rachel (second
level). Should Rachel then recruit someone, the established Consultant Amy would have three levels to her
Downline.

1 Consultants also typically pay \$24.95/month (\$299.40 annually) for the PULSE Subscription.

2 59. These fees do not cover all expenses, however. Consultants must independently
3 purchase samples or Products to be able to market them truthfully and honestly in promotional posts
4 and testimonials on social media, as required under the Consultant Agreement. *See* Exh. A at 2, § 5;
5 Exh. B, Appx. C at C1.

6 60. In the Consultant Agreement, R+F gives itself broad rights to control Consultants and
7 mandate conformance with its directives, and authorizes itself to amend those directives, i.e., the
8 Consultant Agreement, at any time. *See* Exh. A at 2, § 1 (requiring Consultants to “check the R+F
9 Website, and/or the Library frequently for revisions or amendments to the Consultant Agreement”
10 because it “may at any time revise the Consultant Agreement in its sole discretion”); Exh. B, Appx.
11 B at B4 (granting itself the authority to update its P&P and requiring Consultants to “review and
12 accept all updates in order to access PULSE by Penny or other Company systems”). Moreover, the
13 Consultant Agreement requires that Consultants agree to adhere to the obligations set forth in the
14 P&P, as well as “to (a) conduct their R+F business activities in a professional manner that reflects
15 favorably at all times on R+F and the R+F Products; (b) avoid deceptive, misleading, and/or
16 unethical practices; (c) make no representations, warranties, or other statements about the R+F
17 Products or business that are different from or in addition to those in the Consultant Agreement and
18 R+F Marketing Materials; (d) make no attempt to bind R+F to any agreement, or pursue, waive, or
19 compromise rights of R+F; (e) periodically review the R+F Website and the Library for amendments
20 to the Consultant Agreement; and (f) otherwise comply at all times with all applicable laws, regulations
21 and rules in addition to all terms of the Consultant Agreement.” Exh. A at 2, § 5; *see also* Exh. A at 2,
22 § 1 (“Consultants must check the R+F Website, and/or the Library frequently for revisions or
23 amendments to the Consultant Agreement.”); Exh. B, Appx. B, at B3 (“Consultants are expected to
24 read the Insider Scoop [weekly email], which contains important information regarding Rodan +
25 Fields events, Products, recognition of Consultants, compliance issues, special editions and other

1 matters useful to Consultants in conducting their Rodan + Fields activities.”).

2 61. Throughout the Consultant Agreement, R+F makes clear it has the exclusive authority
3 to terminate the Consultant for failure to comply with the terms. *See, e.g.*, Exh. A at 4, § 15 (“reserv[ing]
4 right to right to terminate the Consultant Agreement or take other remedial action if R+F determines,
5 in its sole discretion, that Consultant has violated any provision or term of the Consultant
6 Agreement”). For example, R+F can terminate Consultants for violating various express rules how
7 products are to be advertised and other, *see, e.g.*, Exh. B § 11k(i) (termination for non-compliant posts
8 on Consultant’s social media pages); § 13 (termination or notice of non-compliance for “use of the
9 word Practiv”) But R+F can also terminate Consultants for exercising discretion over the best ways
10 to sell the product, *see, e.g., id.* § 11h (termination for selling via third-party sites); or for seeking out
11 other business opportunities; *id.* § 6r (termination for inquiring into another Consultant’s other direct
12 selling business opportunities). And many of the grounds for terminating a Consultant give R+F
13 limitless discretion to terminate a Consultant. *See, e.g., id.* § 16a (termination based on “any act or
14 omission that Rodan + Fields determines in its sole discretion may damage its reputation or
15 goodwill”); *id.* § 6k (termination for non-compliance of professional, lawful and ethical conduct which
16 may include “activity that could damage the company’s good reputation”); *id.* § 5k (termination for
17 policy violations by Consultant’s household members, employees, agents, etc.). In addition, R+F has
18 various other miscellaneous grounds for termination. *See, e.g., id.* § 10a (termination for excessive or
19 improper return activity); *id.* § 12d (same); *id.* § 5b (termination for misrepresenting to R+F the use
20 or sale of product, i.e., purchases for the purpose of qualifying to Recognition Titles or Achievement
21 Rewards).

22 62. Moreover, R+F exerts substantial control and direction over how the Consultants
23 perform their work, both under the terms of the Consultant Agreement and in practice. While R+F
24 permits Consultants to set their own work hours and work as little or as many as they desire, the
25 Consultant’s discretion ends there. Because of the control and direction exerted by R+F, the

1 Consultant has virtually no discretion over how they are to actually do the job.

2 63. R+F exerts additional forms of control on Consultants that recruit others to become
3 Consultants who then form their “Downline” team. These Consultants take on the additional duty
4 of being a “Sponsor,” which requires them to undertake additional responsibilities and perform
5 specific tasks. *Id.* § 7b. For example, R+F mandates that Consultants who take on sponsorship duties
6 “educate Downline Consultants about, and answer questions regarding, the Policies and Procedures.”
7 *Id.*

8 64. R+F also exerts control over a Consultant’s ability to earn income from sources
9 outside of R+F. For example, Consultants are “[p]rohibited from participating in Rodan + Fields
10 affiliate programs and/or receiving any commission or cash back from sales resulting through the use
11 of an affiliate link, such as Rakuten, Skimlinks, rewardStyle, Honey, Extrabux, Cartera, etc.” *Id.* § 11s.
12 Furthermore, R+F restricts income opportunities of its highest achieving Consultants by effectively
13 punishing them for “promoting, marketing or selling the products, services or programs offered by
14 any other direct selling business, regardless of whether the products, services or programs are related
15 to skincare or haircare or whether they compete with Rodan + Fields.” *Id.* § 6r (describing non-
16 solicitation policy). If these Consultants engage in that activity, they “may not be eligible for trips,
17 training, programs, access to early product releases, global expansion, recognition, Corporate
18 sponsored opportunities, and/or other similar remedial measures.” *Id.*

19 65. R+F also controls Consultants’ ability to temporarily pause their work. R+F requires
20 Consultants to request permission to place their account on hold, and R+F reviews these requests on
21 a case-by-case basis and has sole discretion to approve or reject. *Id.* § 12h. When R+F does not
22 approve a Consultant’s request, the Consultant may lose their status and other privileges.

1 a. **R+F Closely Controls Consultants’ Marketing and Directs**
2 **Consultants to Conduct Marketing and Sales Online**

3 66. While some MLMs rely on home parties, door-to-door sales calls, and other forms of
4 in person selling, R+F’s business model and digital platform and tools are designed so that
5 Consultants can work online to market and sell R+F Products, solicit leads and recruit new
6 Consultants under R+F’s close control and direction.

7 67. *First, R+F has issued a series of rules in its various agreements and policies in*
8 *which it expressly restricts Consultants from using marketing aids other than ones it has*
9 *developed. See, e.g.,* Exh. A at 3, § 6 (forbidding the use of “any Marketing Materials or sales aides
10 other than the R+F Marketing Materials . . . in connection with the sale or marketing of R+F Products
11 and/or the R+F business opportunity”); *id.* at 2, § 5 (“Consultant agrees to . . . make no
12 representations, warranties, or other statements about the R+F products or business that are different
13 from or in addition to those in the Consultant Agreement and R+F Marketing Materials.”); *id.* at 3, §
14 9 (“Consultant agrees to use only R+F Marketing Materials when presenting R+F Products and the
15 R+F business opportunity to become a Consultant to others and to always present the Program
16 accurately and in its entirety.”).

17 68. *Second, R+F places limitations on the Consultants’ ability to create their own*
18 *marketing materials, limiting their ability to exercise creativity and discretion. See* Exh. B §
19 11e(ii) (“Consultants may not create their own flyers or invitations to advertise or promote the R+F
20 Products or the Program.”); *id.* § 6c(i) (restricting products claims to content provided in the P&P
21 and Library); *id.* § 6d (prohibiting income claims when promoting the Consultant opportunity); *id.* §
22 6h (describing mandates for ethical marketing consistent with R+F Marketing Materials); *id.* § 6o(iii)
23 (authorizing appearances at events in “an environment that is appropriate for promoting Rodan +
24 Fields’ brand integrity); *id.* § 11k (mandating that “no pricing may be shown on an image or in the
25 text of a post” when Consultants advertise leverage their social networking profiles to market R+F

1 Products). Even for events sponsored by exclusively by Consultants, R+F provides templates for
2 creating event invitations; R+F recommends Consultants utilize R+F event descriptions rather than
3 exercising their own creativity and it requires Consultants to use R+F provided event images to
4 achieve “brand consistency.”

5 69. While R+F encourages Consultants to market their own experience with the Products,
6 R+F’s general restrictions on the claims they can make and content they can generate whenever they
7 mention R+F prevents the meaningful exercise of Consultants’ discretion.

8 70. *Third, to discourage Consultants from exercising discretion in creating*
9 *marketing materials, R+F provides Consultants with content to use.* Specifically, R+F provides
10 all Consultants with access to the “Library” and “Comms Corner,” where they can find “a suite of
11 engaging shareables” for online marketing efforts. And the PULSE Subscription provides
12 Consultants with access to additional advertising and marketing materials, as well as “R+F Social,”
13 which offers “ready-to-use and customizable content plus analytical tools to evaluate engagement
14 [with one’s online content.]” *PULSE by Penny Comparison Chart* (Exh. F).

15 71. The Library contains the strictly limited universe of the content (“R+F Content”)⁴⁵
16 that R+F permits Consultants use to market and sell R+F Products, with the clear directive that
17 Consultants may only use these materials “as they originally appeared in the Library.” Exh. B § 11o;
18 *see also id.* § 11e(iii) (requiring “[c]orporate videos [to] be re-posted in their entirety and may not be
19 modified in any way”). These images and videos are often the same content that R+F uses in the
20 company-run advertisements.

23 ⁴⁵ R+F Content is defined as: “ (i) all R+F Trademarks; (ii) all text, images, graphics and other content and
24 materials used or displayed on or in connection with any R+F Product (or any related packaging), R+F
25 Marketing Materials, R+F Business Supplies or the R+F Website; and (iii) the names, images and likenesses of
the principals or officers or other employees of Rodan + Fields, including Dr. Katie Rodan and Dr. Kathy
Fields.” Exh. B, Appx. B, at B5.

1 72. Moreover, R+F limits content that Consultants may include if they choose to generate
2 their own marketing videos. *See id.* § 11e(iii). R+F permits Consultants to “share content such as their
3 own personal ‘why,’ and information on R+F Products or the Program, provided they comply with
4 the requirements of Section 6c regarding Product Claims and Section 6d regarding Income Claims.”
5 *Id.* § 11e(iv). Even for R+F sponsored events, R+F requires Consultants to obtain permission to
6 video stream live on their personal social media pages to market R+F Products. *Id.*

7 73. ***Fourth, R+F uses the PULSE Subscription service to exert greater control over***
8 ***Consultants*** by providing them with more R+F proprietary tools to use, including the Consultant
9 Websites. The template for the Consultant Websites is designed by R+F and restricts the Consultants’
10 from exercising discretion over content, as R+F generates the Product pages, prices, and descriptions
11 appearing on the Consultant Websites, maintaining exclusive control over the storefront. Consultants
12 may customize only their “Personal Story” on their “About Me” page, text which appears with the
13 disclaimer: “This is my unique story,” but R+F even provides a template for this section, too. The
14 Consultant Websites are little more than a personalized domain or affiliate link by which consumers
15 can access the same content that appears on the R+F Website, Consultants have no ability to sell
16 non-R+F Products, offer discounts or provide free gifts to customers through their Consultant
17 Websites; they are relegated to the features R+F provides in the template.

18 74. ***Fifth, R+F uses other tools to ensure Consultants comply with its advertising***
19 ***and marketing rules.*** For example, R+F publishes a weekly newsletter, Insider Scoop, which
20 appears both in the Library and gets emailed directly to Consultants, which contains news and
21 important information about products. R+F also provides those with a PULSE Subscription access
22 to a “Daily” feature, wherein R+F provides “a curated list of tasks personal to [that Consultant’s
23 work]” encouraging them to perform “key business-building activities.” Exh. F. Other sales tips and
24 new product information is sent out regularly by R+F directly or disseminated throughout the
25 Consultant workforce via emails from Upline Consultants to those in their Downlines.

1 75. R+F Consultants are incentivized to adhere to R+F’s instructional guides and prompts
2 in marketing the Products. Because they are only paid if they make sales, rather than their marketing
3 efforts, *see* Exh. B, Appx A (Compensation Plan), they are incentivized to follow the suggestions and
4 directives of R+F, and their Upline Consultants, on what kinds of marketing efforts are likely to result
5 in successful sales.

6 76. ***Sixth, R+F controls the online channels by which Consultants can market the***
7 ***Products.*** R+F monitors and controls the content Consultants generate via the PULSE Penny
8 platform and post to their personal Consultant Websites and has the right to “remove any
9 noncompliant postings.” Exh. F. R+F prohibits Consultants from promoting their Consultant
10 Websites in third-party online marketplaces (e.g., Facebook Marketplace), *see* Exh. B § 11g, and from
11 partnering with Influencers, companies, or brands to leverage their social media pages to drive users
12 to their personal Consultant Website to generate sales, *id.* § 11k (permitting Consultant to advertise
13 and promote their own Consultant Website, Consultant opportunity, and R+F Products exclusively
14 on their own personal social networking profiles). Additionally, R+F prohibits advertising the
15 Products on third-party online marketplaces, and on television, radio, billboards, national print, as
16 well as through mass mailings or through any other channels otherwise deemed inappropriate by
17 Rodan + Fields. *Id.* § 11g. Rather, R+F limits “appropriate locations” for distribution of advertising
18 and marketing materials to bulletin boards, message boards and digital message boards located in
19 public places and private businesses. *Id.* § 11f.

20 77. Moreover, R+F has an exhaustive list of rules that govern R+F’s posting on acceptable
21 social media sites. For example, R+F has instructions on how the Consultant opportunity must be
22 described when engaging in recruiting. *See id.* § 11k(i)-(xii) (detailing restrictions and policies for
23 interacting online with social media Influencers, prohibited postings, ethical and legal compliance,
24 etc.); *id.* § 6c (detailing strict prohibitions on product claims and income claims, rules governing
25 Consultant’s posting of “before and after” photos, etc.).

1 78. R+F even exerts control over Consultants’ internet activity outside of the R+F
2 controlled platforms. For example, R+F regularly monitors Consultant conduct on Facebook and
3 Instagram and will take action against any Consultant to enforce compliance.

4 79. Finally, R+F restricts Consultants from engaging with media, instructing that they
5 must refer all media inquiries to R+F, but in the instances where R+F approves communication with
6 media regarding R+F, Consultant is forbidden from directing traffic to their Consultant Website or
7 providing direct referrals by providing their contact information, and may only promote the R+F
8 website. Exh. B § 6a.

9 **b. R+F Reliance on an E-Commerce Platform Limits Consultants’**
10 **Discretion and Promotes Online Sales over In Person**
11 **Interactions**

12 80. R+F has developed numerous online tools and resources, including the Consultant
13 Websites, R+F Social, Comms Corner, and R+F Solution Tool, which reflects a decision to exert
14 control over the Consultants, ensure they conform to the directives contemplated under the
15 Consultant Agreement, and influence Consultants to sell online via R+F-controlled websites. That
16 Consultants do not receive commissions on in person sales through R+F’s Compensation Plan
17 further exemplifies the central nature of online sales to R+F’s business model.

18 81. **First**, R+F relies on an e-commerce platform to sell its products and authorizes
19 Consultants’ online sales exclusively through R+F-controlled systems. *Id.* § 11h (instructing
20 Consultants to sell Products through R+F’s websites, including the Consultant Websites; prohibiting
21 Consultants from advertising and selling Products directly to consumers on e-commerce platforms
22 such as Facebook Marketplace, Amazon, independent personal websites, or other social networking
23 profiles or groups).

24 82. **Second**, as discussed in Paragraph 73, *supra*, the Consultant Websites are designed in
25 a way that ensures Consultants operate in compliance with R+F’s marketing directives. And in relying

1 on R+F controlled websites to perform sales, Consultants are subject to R+F’s controls over order
2 processing, cancelations, and refunds, further limiting Consultants’ exercise of business discretion.
3 *See* Exh. A at 3, § 7 (“R+F reserves the right to accept or decline any order for R+F Products, and
4 may cancel or delay shipment of R+F Products for any reason, including without limitation if
5 Consultant fails to make any required payment or otherwise fails to comply with the Consultant
6 Agreement.”); *id.* 3, § 8 (“Consultant acknowledges that R+F offers all Customers a ‘Customer
7 Satisfaction Guarantee,’ which includes the right to return R+F Products within 60 days of purchase
8 for a full refund.”); Exh. B § 9f (describing “non-deliverable” orders that result in refunds and lost
9 sales credit to Consultant and Upline); *id.* § 10c (describing refunds under the Customer Satisfaction
10 Guarantee policy, applicable to online sales and in person); *id.* § 12d (describing downward adjustment
11 to Consultant commissions after product return).

12 83. ***Third***, R+F’s own compensation scheme creates incentives for Consultants to sell
13 directly from R+F online systems, rather than conduct in person sales, because only the sales made
14 through R+F controlled platforms are included in calculations of customer commissions to
15 determine eligibility of Achievement Rewards or advance in Recognition Title. *Id.*, Appx. A
16 “Compensation Plan.” Advancement in title drastically increases a Consultant’s earning potential. For
17 example, advancing from “Consultant” to “Active Consultant” increases future customer
18 commission from 17% to 24%. *Id.*

19 84. ***Fourth***, R+F further promotes online sales through its online its proprietary online
20 sales tools, available through the PULSE Subscription. For example, subscribing Consultants receive
21 access to the “R+F Solution Tool,” which facilitates exclusively online interactions between
22 Consultants, and customers or prospective customers, as it is designed to make it easy for Consultants
23 to provide personalized R+F product recommendations. The tool also includes a quiz for
24 Consultants to share with customers to answer questions about their skincare habits and concerns,
25 and the results allow Consultants to identify the Products to sell them.

1 85. **Fifth**, R+F relies on Consultants to drive traffic to its website and their personal
2 Consultant Website through the use of their personal social media networks. But it controls
3 Consultants’ online marketing on their personal social media pages and imposes such strict
4 regulations over Consultants’ ability to creatively or strategically market R+F Products, that it
5 effectively discourages anything but online sales on its platform using R+F’s content to remain in
6 compliance with R+F directives. R+F requires Consultants to engage only in “appropriate” ways to
7 generate brand awareness, which it has sole discretion to evaluate. *Id.* § 11k (authorizing R+F “sole
8 discretion . . . [in] [t]he determination of what is inappropriate” and warning that “offending
9 Consultants will be subject to disciplinary action”); *see generally id.*, Appx C (R+F’s Code of Business
10 Ethics).

11 86. **Sixth**, R+F’s imposes broad restrictions on where and how Consultants are permitted
12 to market or sell the Products, furthermore promoting and incentivizing reliance on its e-commerce
13 platforms to remain in compliance. *See, e.g., id.* § 6o(i) (prohibiting sales, displaying, and distribution
14 of Products at kiosks, stores, or other general public retail outlets where customers can simply “walk-
15 in”); *id.* § 6o(ii) (permitting selling and displaying products as personal service facilities, which are
16 private or by appointment offices or spaces). R+F also restricts the types of events Consultants can
17 engage in marketing and sales to those that “promot[e] Rodan + Fields’ brand integrity.” *Id.* § 6o(iii).
18 Events consistent with Rodan + Fields’ brand integrity may include trade shows, professional
19 expositions, state fairs, health fairs, conventions and bridal shows. On the other hand, swap meets,
20 garage sales, flea markets, farmers’ markets, and other similar events are not conducive to Rodan +
21 Fields’ professional image. *Id.*

22 87. **Seventh**, R+F’s reliance on its e-commerce platform for Consultants and customers
23 to purchase products allows R+F “to ensure compliance with legal prohibitions on inventory
24 loading,” or “advancement buying.” *Id.* § 5b (inventory loading); *id.* § 5c(ii) (advancement buying).
25 These terms refer to situations in which a Consultant purchases products for purposes other than

1 personal use or to sell to a consumer, typically a strategy a Consultant would use to meet a sales quota,
2 qualify for achievement rewards or recognition, or other incentives under the Compensation Plan.
3 R+F e-commerce system handles payments and allows consultants to “receive full credit . . . [for all
4 sales] transacted directly with the Company on behalf of the Consultant through the R+F Website
5 and/or a Consultant’s Website,” and then R+F handles the shipments, “without the need [for
6 Consultants] to carry any inventory.” *Id.* § 5b. If and when Consultants make bulk purchases, they
7 are required to “retain[] receipts showing that at least 70% of those R+F Products were resold to one
8 or more different Retail Customers or were otherwise used in support of business activities (e.g.,
9 incentives or demonstrations) within thirty (30) days of the last applicable order delivery date.” *Id.* §
10 5b; *see also id.* § 5c(i) (requiring sale/distribution to at least three individuals). If a Consultant purchases
11 \$1000 of Product in a single month, R+F reserves the right to request their receipts at any time and
12 to require them to fill out extensive forms available in the Library detailing the transaction date, Retail
13 Customer name, products sold, method of payment, and total sale value. *Id.* § 5c(i). This sort of
14 bookkeeping deters Consultants from making bulk purchases to engage in direct sales to customers,
15 whereas purchases through the R+F platforms track total allow R+F to monitor and ensure
16 Consultant engaging and selling to sufficient retail customers, or it can decline sales if it suspects they
17 are for a prohibited purpose. Thus, a Consultant who wants to increase their earnings, or merely
18 retain their commissions bracket, through strategic purchases of inventory is not permitted to exercise
19 that discretion.

20 88. By relying on R+F’s e-commerce platform for selling, handling payments, and
21 shipping orders, Consultants save time and reduce expenses, given that in person sales would require
22 them to create or identify and attend suitable and compliant in person events, operate or have access
23 to a “personal services facility,” handle payment and shipment for in person orders, performance
24 exhaustive bookkeeping and forecast and make advance purchase of extra inventory to have in stock
25 while remaining in compliance with strict prohibitions on inventory loading.

1 **c. R+F Exerts Control Over Consultants in Recruiting and in**
2 **Relationships with Other Consultants and with Prospective and**
3 **Existing Customers**

4 89. R+F’s control over Consultant’s marketing and conduct extends to controlling their
5 recruiting efforts and their relationships and interactions with prospective Consultants (prospective
6 Downlines), as well as the Consultant-Downline relationship, and the Consultant-customer
7 relationship.

8 90. R+F controls how Consultants market the Consultant experience and the Program
9 generally to recruit Downlines. *Id.* § 6b (requiring Consultants to “present the Program in a truthful
10 and accurate manner consistent with the Consultant Agreement and the R+F Marketing Materials.”
11 R+F permits Consultants to “share content such as their own personal ‘why,’ and information on
12 R+F Products or the Program, provided they comply with the requirements of Section 6c regarding
13 Product Claims and Section 6d regarding Income Claims.” *Id.* § 11e(iv); *see also id.* § 6d (prohibiting
14 income claims when promoting the Consultant opportunity). R+F prohibits Consultants from
15 disclosing their own income or earnings or from making ‘lifestyle claims,’ or claims about what their
16 experience as a Consultant has afforded them, both of which it considers “equivalent to income
17 claims.” For example, R+F prohibits claims like “My Rodan + Fields business allowed me to buy a
18 house, retire from my other job, allow my spouse to quit their job, or take a luxury vacation.” *Id.* §
19 6d; *see also supra*, n.69 (Federal Trade Commission warning to Rodan + Fields that it must enforce
20 rules that Consultants cease and refrain from posting online income-related statements as a marketing
21 tactic to recruit Consultants). R+F also prohibits Consultants from advertising under the “help
22 wanted” section of publications or imply that they are recruiting for R+F or that they are seeking to
23 hire or employ someone for R+F. Exh. B § 11g. The Agreement prohibits Consultants from
24 executing any agreement or contract directly with the people they recruit; the only way the only way
25

1 to become a Consultant is to complete the R+F Independent Consultant Application. *Id.* § 6b.; *see*
2 *also id.* § 6r (prohibiting Consultants from competing with R+F under its non-solicitation policy).

3 91. While Consultants are encouraged and incentivized to engage in recruiting, R+F
4 restricts their discretion to build their own team, too. For example, once a Consultant joins another's
5 Downline, R+F imposes strict regulations over when and how the Downline can "Line Switch,"
6 meaning change who their Sponsor is, i.e., whose Consultants' team they are on. *See generally, id.* § 7d
7 ("Once a Consultant is sponsored, Rodan + Fields requires that the relationship between the
8 Consultant and their Sponsor be maintained and protected."). In effect, it prevents competition
9 between Consultants by prohibiting them from recruiting another Consultant's Downlines and
10 imposing the strict procedures for switching described below. *Id.* ("Under no circumstance shall any
11 Consultant offer or provide any financial or other consideration or incentive to another Consultant
12 in exchange for such other Consultant's agreement to terminate their existing Consultant Agreement
13 and re-apply under another Sponsor.").

14 92. R+F disincentivizes Consultant's from changing their Sponsor because R+F requires
15 them to terminate their existing Consultant Agreement, refrain from participating in the Program for
16 6-months, i.e., continuing to sell and earn income, and then re-enroll. *Id.* § 7d(i)-(ii) (required
17 procedures for changing lines). Upon voluntary or involuntary termination, including for the
18 purposes of re-enrolling under a new Sponsor, "the former Consultant shall have no right, title, claim
19 or interest to the Consultant Agreement or Downline that they operated, or to the opportunity to
20 receive any Commissions or Achievement Rewards from future sales generated by the Consultant
21 Agreement or Downline. A Consultant whose Consultant Agreement is terminated will lose all rights
22 to participate in or benefit from the Program." *Id.* § 15c.

23 93. In other words, even upon re-enrollment, there is no transfer of status for the
24 Consultant switching Sponsors, i.e., commission level preciously attained and awards, and they do
25 not retain any of the Consultants as their Downlines that they recruited or of the customers they

1 retained from whom they previous were entitled to commissions. *Id.* They start from square one. *See*
2 *e.g., id.*, Appx A at A14 (describing one example in which a Title loses their Paid-As Title when they
3 do not satisfy requirements for that Title for three consequence months, as would be the case if the
4 Consultant was unable to participate for 6-months).

5 94. When a Preferred Customer enrolls as a Consultant, R+F also exerts controls over
6 which Consultant team that Preferred Customer can join (i.e., who Sponsors them/becomes their
7 Upline). *Id.* § 7c. That prospective Consultant “must either (i) apply as a Consultant under the
8 Consultant with whom they originally enrolled as a Preferred Customer; or (ii) close their account [as
9 a Preferred Customer] and wait a total of ninety (90) days before enrolling as a Consultant with a
10 different Sponsor.” *Id.* When a Consultant is successful in recruiting someone, that Consultant
11 becomes their Enrollment Sponsor and the new Consultant becomes part of their Downline. *See id.*,
12 Appx. B (defining Sponsor as “A Consultant who enrolls another Consultant into the Program and
13 is listed as the Sponsor on the Consultant Application (Enrollment Sponsor)”).⁴⁶ When there is a
14 dispute over which Consultant sponsors the new Consultant and who will acquire this new Downline,
15 “Rodan + Fields” reserves the sole and exclusive right to determine the final disposition of such
16 disputes[,]” thus stripping away Consultants’ autonomy in building out their teams or, for example,
17 negotiating among one another. *Id.* § 7c. R+F also reserves the right to assign a Downline Consultant
18 to a Sponsor/Consultant that is not of either Consultant’s choose, thus limiting Consultants’
19 autonomy in building their sales team. *Id.*, Appx B at B6 (defining “Sponsor”).

20 95. When a Consultant recruits new Consultants, i.e., tries to build out their team by
21 Sponsoring a new Consultant, Consultants assume additional responsibilities, in accordance with the
22 Policies and Procedures. R+F dictate that:

24 ⁴⁶ The Policies & Procedures also defines a Sponsor as a Consultant “to whom a Downline Consultant has
25 been assigned through Compression or Roll Around (Performance Sponsor)[.]” Exh. B, Appx. B; however
Plaintiff was never assigned any Downline. She independently recruited and cultivated relationships with each
of her Downlines.

1 Sponsors must:

- 2 - provide prospective Consultants with a copy of, or access to, the current Policies and
3 Procedures (found on rodanandfields.com) prior to submission of a new Consultant
4 Application;
- 5 - ensure that prospective Consultants complete and submit the Consultant Application
6 themselves. If extraordinary circumstances prevent a prospective Consultant from
7 submitting the online Consultant Application, the sponsoring Consultant may do so for
8 the prospective Consultant so long as the prospective Consultant completes and signs a
9 hard copy of the Consultant Application in advance, is provided access to the Policies and
10 Procedures and has the opportunity to review the Consultant Application Terms and
11 Conditions before enrolling in which case the signed Consultant Application must be sent
12 to the Sales Support Department, Rodan + Fields, 3001 Bishop Drive, Suite 450, San
13 Ramon, CA, 94583. Additionally, the Sponsor must advise the new Consultant to change
14 their password as soon as possible; and:
- 15 - explain to prospective Consultants that the only required purchase to become a Consultant
16 is a Business Starter Pack;
- 17 - explain to prospective Consultants that the Consultant Replenishment Program (CRP) and
18 PULSE Pro are optional, subscription programs.

19 *Id.* § 7b.

20 96. When the prospective Consultant's application is completed and accepted, the
21 recruiting Consultant typically becomes their Sponsor, i.e., they become the recruiting Consultant's
22 Downline. R+F imposes even more responsibilities on Sponsoring Consultants, thus setting
23 parameters for the relationship between the Consultant and their Downline. The Sponsor is required
24 to "educate Downline Consultants about, and answer questions regarding, the Policies and
25 Procedures ("P&P") and direct them to the Compliance Department for additional assistance." *Id.*

1 Sponsors are responsible for ensuring their Downlines understand the Compensation Plan, too, as
2 outlined in the P&P and expanded upon in an additional 18-page document. *Id.*; *Compensation Plan*
3 *Overview U.S. 2023* (Exh. I). Consultants are actively encouraged to ask their Sponsoring Consultant
4 questions, i.e., a Sponsoring Consultant, like Plaintiff, is a new Consultant’s main point of contact for
5 onboarding and is responsible for setting their Downlines up for success. Exh. B § 7b.

6 97. R+F also regularly initiates communication with Consultants with Downlines
7 regarding the Downline’s performance metrics to exert influence over the Consultant-Downline
8 relationship. For example, based on a Downline’s Sales Volume, R+F instructs Consultants to “Take
9 Action: Coach to Sell Now!” so that the Consultant “[doesn’t] let [their] team member miss out on
10 the chance to boost their payday!” R+F provides suggestions of exactly which R+F Product it
11 recommends the Downline sell to achieve those goals, and resources for the Consultant to “help
12 [their] Downline put [those] suggestions into action.” In other words, R+F directly pushes content
13 and marketing strategy and tactics to Consultants, thus directing their relationship and engagement
14 with other Consultants and limiting their independence to engage with their team members.

15 98. R+F also exerts control over the Consultant-customer relationship. It heavily
16 encourages Consultants to convert “Retail Customers” into “Preferred Customers,” customers who
17 subscribe to “PC Perks,” a Customer Loyalty Program, to receive personalized recommendations
18 advice, and bi-monthly auto-replenishment shipments with extra discounts. Preferred Customs also
19 have Sponsors, which is the Consultant who receives commissions from that Preferred Customer’s
20 purchases.⁴⁷ R+F also mandates specific procedures for when a Preferred Customer wishes to switch
21 Sponsors, but remain a Preferred Customer, rather than enrolling as a Consultant, as well as if the
22 Preferred Customer wishes to enroll but under a different Sponsor. *See generally*, Exh. B § 7d(iii)–(vi).

24 ⁴⁷ *See* Exh. B, Appx B, at B4 (“A Preferred Customer’s QV [Qualifying Volume] is included in the calculation
25 of Sponsor’s PV [Personal Volume] and GV [Group Volume]. The Sponsor is paid Customer Commissions
on the [Preferred Customer’s] purchases of Commissionable Products.”).

1 These mandates limit a Consultant’s ability to choose their own customers and interact with existing
2 customers.

3 99. R+F assigns Consultants to Preferred Customers, who enroll as Preferred Customers
4 but do not know any Consultants to Sponsor them, thus limiting Consultants’ discretion over their
5 relationship with customers.⁴⁸ The Consultant is expected to reach out to them, provide ongoing
6 customer service, periodically reach out in accordance with marketing efforts, and more. Additionally,
7 R+F automatically generates an email notifying Consultants of a lead (prospective customer or
8 Consultant) when an individual fills out a templated form on that Consultant’s Website, with whom
9 that Consultant is expected to develop a relationship with.

10 100. Moreover, under the Consultant Agreement, “R+F reserves the right to communicate
11 and do business with any Customers acquired through Consultant’s efforts without restriction of any
12 kind.” Exh. A at 3, § 7. As such, R+F sends Preferred Customers exclusive offers and promotions
13 directly that R+F identifies, not the Consultant, thereby limiting Consultant’s discretion in cultivating
14 and engaging with her Preferred Customers. R+F then emails Consultants to instruct them to reach
15 out this Preferred Customer, with suggested prompts. R+F also heavily encourages Consultants to
16 recruit their Preferred Customers to enroll as Consultants. R+F authorizes Consultants to run
17 promotions as well. Exh. B § 11k(xii). However, any sales made resulting from those promotions
18 would not be through an R+F-controlled website, but instead directly to the consumer, and therefore
19 would not be within the Compensation Plan, i.e., be eligible for commissions, count toward volume
20 requirements to advance in title/Consultant status for purposes of higher commissions bracket,
21
22

23 ⁴⁸ *PC Perks*, Rodan + Fields, <https://www.rodanandfields.com/en-us/pc-perks/learn-more>
24 [<https://perma.cc/8EZM-SR8M>], (explaining that “[i]f [a prospective Preferred Customer] [doesn’t] know
25 any Consultants, [R+F] provide[s] the names of a few at checkout [when enrolling as a Preferred Customer]
who [they] can choose from based on various factors such as [their] location,” and that they will be matched
with a Consultant).

1 Achievement Awards or special Incentives from R+F. *See generally, id.*, Appx. A (Compensation Plan).
2 Exh. C at pp. 1-2.

3 101. Lastly, R+F limits Consultants' ability to help other Consultants' grow out their
4 businesses. It prohibits Consultants from "sell[ing], assign[ing] or otherwise transfer[ing] their
5 Consultant Agreement without the prior written approval of Rodan + Fields." Exh. B § 14a. R+F
6 imposes numerous requirements both on the desired Seller/Transferor and on the desired
7 Buyer/Transferee to be approved, which include that the Buyer must be an Active Consultant for at
8 least the prior 12-months and have earned either 50% of the seller's annualized earnings (which must
9 be a minimum of \$25,000) or have had an annualized earnings of at least \$15,000 during the prior 12-
10 month period. *Id.* § 14(i)-(ii). Given that the average annual income for Consultants who did receive
11 at least one payment in 2022 was \$366 (although 33% received no income in 2022),⁴⁹ R+F effectively
12 prohibits Consultants from selling, assigning, or transferring their Consultant Agreement.

13 102. In the narrow instances where the Buyer/Seller satisfies these criteria, R+F
14 disincentivizes a Consultant from selling to any other Consultant other than their immediate Upline
15 (Sponsoring Consultant), further limiting Consultants' relationships with one another and one's
16 discretion over their own business. When a Consultant sells to their Upline, the Consultant's
17 Downline Consultants become the Upline's new Downlines ("compress" or "Roll Up"). However,
18 when a Consultant does not sell to their immediate Upline, that Upline must forfeit the team and
19 future commissions of all of the Consultants they had previously recruited as Downlines. Exh. B §
20 14a(ii) ("[T]he buying Consultant must terminate their Consultant Agreement, leave behind their
21 existing Downline and assume the Seller's position; the two organizations will not merge. The buying
22 Consultant's existing Downline will then compress (Roll Up) to their former Sponsor.").

23
24
25 ⁴⁹ Exh. C at pp. 1-2.

1 103. R+F also has a strict non-solicitation policy that restricts Consultants’ interactions with
2 other Consultants, which restrict Consultants ability to earn income from outside opportunities. n
3 outside earning opportunities *Id.* B § 6r. R+F both prohibits Consultants from recruiting other
4 Consultants to join other MLMs or even to market other MLM products to Consultants and prohibits
5 Consultants from inquiring about another Consultant’s separate direct selling or other business
6 opportunities. *Id.*

7 **d. R+F Exerts Control to Ensure Consultants Are Engaging in**
8 **Approved Online Marketing and Sales Activities and Monitors**
9 **Their Activity Closely**

10 104. R+F restricts online selling of R+F Products other than R+F-controlled websites, *Id.*
11 § 11h, or their use of trademark merchandise or other R+F Branded Assets, *id.* § 11e, and heavily
12 monitoring Consultants’ online marketing activity to ensure compliance.

13 105. Under the PULSE Subscription terms, R+F “reserves the right to monitor
14 [Consultants’] PULSE by Penny and [personal Consultant Website] content, including
15 communications made on or through these tools, and to remove any noncompliant postings.” Exh.
16 E.

17 106. In addition to controlling Consultants’ content and use of their Consultant Website
18 and their social media presence and ways in which they market R+F Products, R+F also exerts
19 control over Consultants’ internet activity more broadly – outside of the R+F controlled platforms –
20 monitoring postings to ensure compliance with its policy prohibiting “advertis[ement of] the R+F
21 Products or the Program on channels including third-party online marketplaces. Exh. B § 11g. And
22 R+F reminds Consultants that their posts are monitored. For example, in December 2020, R+F sent
23 an email to Consultants, informing them that “it is imperative that we continue to carefully follow
24 the compliance policies” and that R+F has “a dedicated Compliance team in place, as well as a robust
25 monitoring system, to proactively track, monitor and enforce income and lifestyle claims that may

1 appear in social media posts, videos, blogs, websites, etc.” R+F also severely limits Consultants’
2 online marketing efforts by prohibiting sales of R+F Products and even references to pricing on non-
3 R+F-controlled websites, and requires Consultants to remove such content. *See id.* (“The only
4 approved form of selling/advertising via the internet is through the Pulse Personal Websites that
5 Consultants have, or through the R+F website (Section 11h of the Policies & Procedures.)”); Exh. B
6 § 11k (prohibiting pricing in an image or post by Consultant on their personal social media profile);
7 *id.* § 11k(i) (“Rodan + Fields reserves the right to require the removal of noncompliant or infringing
8 posts from any Consultant’s social media pages.”).

9 107. In addition, R+F directs how the Consultants hold themselves out on social media so
10 that it can effectively monitor conduct and compliance. For example, Consultants are required to
11 disclose their full names and conspicuously identify themselves as a Rodan + Fields Independent
12 Consultant. *Id.* § 11k(ii). They are prohibited from using anonymous posts or aliases. *Id.*

13 108. R+F encourages Consultants to monitor one another as well. For example,
14 Consultants are told to direct any complaints or concerns about other Consultants’ conduct to the
15 Compliance Department. *Id.* § 6k (encouraging reporting of other Consultants who violate the
16 Consultant Agreement, including R+F’s policy of professional standards it expects of Consultants);
17 *id.* § 6j (disparaging remarks).

18 109. Under the Consultant Agreement, R+F requires Consultants agree to refrain from
19 engaging in activities, e.g., solicitation, upon termination commonly found in noncompete
20 agreements. *Id.* § 6r. Even after termination, R+F controls former Consultants’ online activities by
21 R+F prohibiting communication about R+F as well as sharing with or tagging other R+F Consultants
22 or other R+F employees on social media in relation to other direct selling or network marketing
23 business opportunities. *Id.* R+F continues to monitor activity to ensure compliance.

1 **3. R+F Cannot Meet its Burden to Show that Consultants are**
2 **“Customarily Engaged” in a Separate Business**

3 110. R+F cannot meet its burden to show that Consultants are “customarily engaged” in
4 an independently established sales and marketing business. Instead, most R+F Consultants are
5 recruited regardless of their skill or experience, exclusively perform sales and marketing for R+F
6 (using R+F controlled systems and R+F Materials) and maintain no separate sales or marketing
7 business.

8 111. R+F Consultants are not required to have any background in sales, dermatology, or
9 cosmetics prior to becoming a Consultant. Consultants are not required to have any licensure or meet
10 any educational requirements, either. For example, they do not need to be licensed cosmetologists or
11 aestheticians, nor have any schooling, training, or prior employment in fields relating to cosmetology
12 or skincare. Nor does R+F require that they have schooling, training, or prior employment in
13 marketing, sales, or general business. With few exceptions, Consultants have not ever owned or
14 operated their own separate sales business outside of R+F. In fact, 67% of the Independent
15 Consultants had no prior direct sales experience.⁵⁰ This is expected, given that applications do not
16 submit their resumes and are only required to complete a short application with basic personal
17 information and agree to pay for the Business Starter Kit. Exh. A. After becoming Consultants, most
18 do not maintain any registered or incorporated sales or marketing business, for their work with R+F
19 or otherwise. Consultants generally do not hold themselves out to others as sales or marketing
20 professionals or maintain any office or business address.

21 112. As discussed throughout, rather than rely on Consultants’ own sales experience to
22 market products, R+F provides the instrumentalities of Consultants’ sales and marketing work
23 through R+F’s online enterprise management system (“PULSE by Penny”), from which Consultants
24

25 _____
⁵⁰ *Rodan + Fields At-A-Glance, supra*, n.41.

1 access the Library and other proprietary resources and tools, like shareables, and business reporting
2 and analytic tools. R+F designs, and publishes to the Library, the overall social media advertising
3 campaign, and supplies the Consultants with hashtags, scripts, promotional photos and video clips,
4 and other strategic online advertising directives for the Consultants to use to the Products on social
5 media. And R+F controls all Consultant Websites.⁵¹

6 113. Ultimately, R+F intends for Consultants to view R+F as their employer. This is
7 evident because R+F policies require that Consultants rely on its materials and tools; regardless of
8 whether a Consultant maintains any kind of independent business, R+F’s policies and mandated
9 instrumentalities of work make it so the Consultant responsibilities are not those that are of the sort
10 that would be performed by an independent and trained professional. *See generally, infra*, ¶¶ 173-82
11 (detailing R+F’s willful misclassification of Consultants as independent contractors rather than
12 employees). For example, because R+F provides Consultants with the platform, apps, websites, and
13 other tools to sell the Products, the Consultants are using the R+F brand to sell, not their own
14 business’s identity. Those experienced in social media marketing are not allowed to use the kinds of
15 tools used by professionals in that field; as discussed above, R+F prohibits them from advertising
16 through mass media, Exh. B § 11g, or from leveraging using Influencers or other brands’ social media
17 pages to drive traffic to their Consultant Websites. *Id.* § 11k.

18 4. R+F Consultants Are Not “Direct Sellers”

19 114. Despite classifying the Consultants as independent contractors, they are employees
20 under California law. As set forth below, while some MLM workers might meet the narrow statutory
21 exemption for those employed in “direct sales,” the Consultants do not.

24 ⁵¹ *See e.g., supra*, ¶ 71 (describing Library “universe of the content”); ¶ 73 (describing how R+F leverages PULSE
25 subscription to exert control); *see generally, supra*, ¶¶ 80-88 (describing R+F’s reliance on e-commerce and online
tools to control how Consultants perform marketing and sales work.)

1 **5. Consultants’ Work is not Outside Rodan + Fields’ “Usual Course of**
2 **Business”**

3 115. R+F views the work of the Consultants to market the Products online as central to its
4 business model, which in turn is built on the belief that social media posts from friends and
5 community members with shared interests may be more persuasive in for driving interest and
6 generating paying customers than a paid advertisement. Through its Consultant program, R+F has
7 been able to leverage this idea into increased visibility on social media and traffic to its websites,
8 enabling it to compete in a saturated cosmetics market very cheaply.

9 116. Accordingly, Rodan + Fields celebrates and prides itself on the work of the
10 Consultants to market and sell the Products online as central to its business model – work itself that
11 R+F does not compensate for—and as core to its past and future successes. R+F describes its
12 renowned brand as “powered by a direct selling business model and Independent Consultant
13 Community.”⁵² Direct Selling News, a trade publication for the MLM and direct selling industries,
14 has consistently reported that R+F’s Consultant Community is the “powerful Independent
15 Consultant Community” as a key ingredient to R+F’s financial success over the years.⁵³

16 117. R+F’s 2023 marketing materials offers more of the same, celebrating its Consultant
17 Community alongside both its groundbreaking successes in the skincare market. For example, the
18 Rodan + Fields “At-A-Glance” graphic, featured below, describes its direct selling model, comprised
19 of Consultants, as “the core of WHO we ARE.”⁵⁴ R+F irrefutably relies on the work of Consultants
20 in its usual course of business and recognizes their value and importance in R+F’s ability to soar and
21 seize its multi-billion-dollar growth opportunities.

23 ⁵² *Rodan + Fields Adds New Talent To Their Leadership Team As Together With Their Consultant Community They Power Forward Their Life-Changing Mission*, *supra*, n.18.

24 ⁵³ “The female-led company achieved more than \$1.5 billion in revenue in 2017 thanks to its innovative skincare products, disruptive consumer connected commerce model and powerful Independent Consultant Community.” *Rodan + Fields Named No. 1 Skincare Brand in the U.S. and North America in 2017*, *supra*, n.20.

25 ⁵⁴ *Rodan + Fields At-A-Glance*, *supra*, n.41.

RODAN+FIELDS

AT-A-GLANCE

THE COMPANY

Premium skincare company offering innovative dermatology-inspired products backed by clinical results.

FOUNDED

by Stanford-trained Dermatologists Dr. Katie Rodan and Dr. Kathy Fields

\$1.5B+

annual sales in less than ten years

\$18M+

Awarded in grants by the Rodan + Fields Prescription for Change Foundation

3 countries in operation so far

THE INDEPENDENT CONSULTANTS

An amazing community of business leaders

67%

had no direct sales experience prior to joining

70%

work full or part-time in addition to R+F

91%

of Preferred Customers are very satisfied with their Consultant

THE RESULTS

At the core of WHO we ARE.

#1

Dermatologist Founded Premium Skincare Brand in North America in 2022¹

Premium Skincare Regimen Brand in the U.S. for 5 Consecutive Years (2018 – 2022)²

Premium Anti-Aging Regimen Brand in North America in 2022³

Premium Acne Brand in the U.S. in 2022⁴

Direct Selling Premium Skincare Brand in North America in 2022⁵

THE OPPORTUNITY

Rodan + Fields is all about innovation and growth, with new opportunities for global expansion on the horizon.

ONLY 29%
R+F brand⁶ awareness

\$18B+
opportunity remains within U.S. skincare categories

NEW
innovations every year

\$37B
opportunity within the U.S. in adjacent categories

¹ Source: Euromonitor International Limited, Beauty and Personal Care 2022 Edition, retail value RSP terms, all channels, Premium Skincare.

² Source: Euromonitor International Limited, Beauty and Personal Care 2022 Edition, all channels, Premium Skin Care Regimen includes Sets and Kits, retail value RSP terms.

³ Source: Euromonitor International Limited, Beauty and Personal Care 2022 Edition, retail value RSP terms, all channels, Premium Anti-Aging including Premium Anti-Aging products sold as part of Sets and Kits.

⁴ Source: Euromonitor International Limited, Beauty and Personal Care 2022 Edition, retail value RSP terms, all channels, Premium Acne Treatments.

⁵ Source: Euromonitor International Limited, Beauty and Personal Care 2022 Edition, all channels, Premium Skin Care Regimen includes Sets and Kits, retail value RSP terms.

⁶ 2021 U.S. study conducted with 1500 skincare users ages 18-74.

08/2023

life-changing SKINCARE

RODAN+FIELDS

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1 118. In 2017, after R+F was named the number one skincare brand in the United States
2 for the second time and the number one skincare brand in North America for the first time, then
3 President and CEO, Diane Dietz, attributed R+F's success as follows:

4 "This is a testament to our products that deliver visible results, our personalized,
5 direct-to-consumer approach and the entrepreneurial power of our Consultant
6 Community. We look forward to the continued momentum and sharing our life-
7 changing skincare with more consumers globally."⁵⁵

8 In 2018, after being named the number one in skincare brand again in the United States and
9 across North America, again, Dietz credited and praised the Consultants:

10 "We're excited to be recognized in so many great categories by Euromonitor but what really
11 inspires us is seeing our Founders' vision come to life and giving people healthy skin and the
12 confidence that goes with it. These accolades are a testament to our powerful Independent
13 Consultant community who are tremendous brand advocates and who energize us to bring
14 more innovative and life-changing products to markets around the world."⁵⁶

15 119. Because the work of Consultants is so fundamental to R+F's future success, in August
16 2021, R+F announced expansions to its leadership team exclusively to improve upon and support
17 the Consultant Community, describing this business decision as part of its "renewed commitment to
18 double down on their roots as a direct seller and advance their life-changing mission around the globe.

19 120. Specifically, R+F added a Chief Global Sales Officer, Laura Beitler, who is
20 "responsible for the Global Sales Organization and business related to the brand's Independent
21 Consultant salesforce." She was hired to "lead the Business Development, Field Operations, Field
22 Marketing and Communications, and the Recognition and Learning + Development functions." R+F
23 also hired a Chief Marketing Officer, Elana Gold, for the first time, was to "drive the strategy and
24 vision for the R+F brand. She is responsible for Brand Strategy, Creative, Innovation, Corporate
25 Strategy + Insights, Social Media, Loyalty, Digital Marketing + eCommerce, and the Corporate

⁵⁵ *Rodan + Fields Named No. 1 Skincare Brand in the U.S. and North America in 2017, supra*, n.21.

⁵⁶ *RODAN + FIELDS' INNOVATION PREVAILS; COMPANY NAMED THE #1 SKINCARE BRAND IN U.S. AND NORTH AMERICA IN 2018, supra*, n.12.

1 Communications functions.”⁵⁷ *See generally, infra*, ¶¶ 173-82 (outlining that R+F’s decision to
2 misclassify Consultants as independent contractors rather than employees was willful).

3 121. The CEO described their roles as integral to its strategy to grow its business and
4 community:

5 “There couldn’t be a more important time for two trailblazers in their own right, Laura
6 and Elana, to join Rodan + Fields as we become a leading direct selling company
7 recognized industry-wide for our community, products and people,” said Chief
8 Executive Officer (CEO) & President, Dimitri Haloulos. “It is undeniable that their
9 leadership, passion, and expertise come at a unique stage in our Company’s evolution to
10 bring together our Consultant Community, direct selling business model, and product
11 innovation in a more powerful way as we welcome our next era of growth.”⁵⁸

12 122. Mr. Haloulos, the President and CEO himself, also committed over 100 hours to
13 working closely with Consultants, recognizing how critical their work is to the overall business. He
14 shared:

15 “In my first three months as CEO, I spent about 125 hours with our consultants and got to
16 know their stories at a pretty granular level,” he shared. “The diversity of story, regardless of
17 level, whether they were a long-time leader or new to the company, Rodan + Fields, and how
18 it fits in their lives can play such a different role. The symbiotic relationship is pretty
19 phenomenal. It’s like nothing I’ve ever seen. I learned so much—and most of all, saw the
20 shared passion they all have about Rodan + Fields.”⁵⁹

21 123. Relatedly, because the work and success of Consultants is so core to the success of the
22 R+F business, R+F hires employees to work directly with the Consultants, for example, to develop
23 content for them, to work on programming to keep them engaged, as well as to manage them. For
24 example, as of November 6, 2023, R+F was looking to fill two full-time employment positions on
25 two separate teams devoted to driving success and engagement of Consultants and traditional
managerial duties over Consultants.

⁵⁷ *Rodan + Fields Adds New Talent To Their Leadership Team As Together With Their Consultant Community They Power Forward Their Life-Changing Mission, supra*, n.18.

⁵⁸ *Rodan + Fields Adds New Talent To Their Leadership Team As Together With Their Consultant Community They Power Forward Their Life-Changing Mission, supra*, n.18.

⁵⁹ Vetter, *supra*, n.27.

1 124. R+F’s business and leadership strategies revolve heavily on ensuring the success of
2 the Consultant Community, to which they devote impressive resources (e.g., technology and
3 engineering, professional development, executive engagement). After expanding its leadership team,
4 R+F launched changes to the Consultant experience, including new digital tools to streamline
5 Consultants’ work and make it simpler to reach customers online. The new Chief Global Sales
6 Officer, Lauren Beitler, spearheading these improvements, described its success:

7 “Since launch, results have been really great. The combination of this simple way to share
8 in a repeatable way over and over again that gets results and that’s very systematic is
9 what we’ve been focused on.”⁶⁰

10 125. In April 2022, an interview with Direct Sellers News, the Chief Executive Officer and
11 President, Dimitri Haloulos, credited employees and Consultants alike, as collaborators, for R+F’s
12 launch into a phase of growth, stating:

13 “We did a tremendous amount of work and pivoted the business all while being remote.
14 That to me is probably the most amazing thing. It was a mix of our consultants and our
15 employees coming together on a shared goal to make things happen.”⁶¹

16 Because the Consultants work is a core part of R+F’s business, R+F strategically,
17 exclusively prioritized work on digitization and re-engaging the Consultants and enhancing their
18 experience to “pivot the business.”⁶²

19 126. R+F’s product vision, and therefore their product development plans, also reflects
20 how intertwined and central the Consultant’s work is to the business. R+F conceives of new skincare
21 products to target untapped market segments in reliance on the Consultants’ ability to market and
22 sell products as well as the countless hours R+F can rely upon Consultants devoting to the business.
23 For example, in fall of 2021, R+F released a new multi-function anti-aging product, Total RF Serum,

23 ⁶⁰ Vetter, *supra*, n.27.

24 ⁶¹ *Id.*

25 ⁶² *See id.* (quoting Chief Global Sales Officer Laura Beitler and describing changes R+F implemented under new leadership after extensive efforts to better understand the Consultant experience and re-engage Consultants, including the 2022 “Make It Yours” Campaign,” which advertised how current Consultants have leveraged opportunities with R+F).

1 targeted toward skincare product users who were reluctant to invest in a regimen and therefore did
2 not use R+F's regimen-based products. After a successful launch, Haloulos celebrated Consultants'
3 role and responsibility of targeting and acquiring those new customers; again, attributing R+F's ability
4 to further penetrate the skincare market on the power of the Consultants' community. Haloulos
5 stated:

6 "We're a regimen-based company, and we believe that the combination of the products
7 really makes a difference—they do clinically. Total RF Serum accelerates those results.
8 So, if you use a regimen, you'll get better, faster results. But there are people that don't
9 want to start with a regimen, and they can start with this one product and also get visible
10 results. It gives our consultants a way to grow incremental penetration in the consumer
11 market."⁶³

12 127. R+F also underscores how essential the Community is to its business by investing
13 specifically in product development opportunities to expand that workforce. In 2022, R+F launched
14 its haircare product line, which it described as a significant and meaningful opportunity for their
15 business that would allow R+F to attract new Consultants and customer bases.⁶⁴ R+F is also able to
16 innovate and grow because of the work performed by the Consultants.

17 128. R+F's annual revenue and the company's creditworthiness are integrally related to the
18 number of Consultants enrolled, which highlights the Consultant's essential role in R+F's ability to
19 generate revenue and expand R+F's consumer base. As the number of Consultants have dropped
20 year-over-year, so has revenue, and Moody's Investors' Service has downgraded R+F's credit rating
21 4 times since its first assignment in 2018.⁶⁵ Moody's attributed each downgrade, at least in part, to the
22 decline in Independent Consultants working for R+F. For example, in 2019, Moody's stated that the
23 company's underperformance "was fueled by a significant decline in new enrollment of its
24 Independent Sales Consultants . . . [which were] a significant driver of growth across the company's
25

⁶³ *Id.*

⁶⁴ *Rodan + Fields Expands in Haircare Category*, KRQE, (Oct. 23, 2023); <https://www.krqe.com/business/press-releases/cision/20221101SF21416/rodan-fields-enters-haircare-category-with-a-scalp-first-approach/>
[<https://perma.cc/FA76-QDQ9>].

⁶⁵ *See Rodan & Fields, LLC*, Moody's Investor Services Rating Action *supra*, n.23.

1 multi-level marketing business model, and the decline in enrollment negatively impacted business
2 performance.”⁶⁶

3 **a. Background on MLMs and the Direct Sales Exemption**

4 129. For many years, the MLM industry has enjoyed notoriety for its ability to carve out
5 legal loopholes that exempted them from federal and state employment laws, thereby permitting
6 MLMs to treat its sales personnel as independent contractors rather than employees. These
7 exemptions were enacted in the 1970s and 1980s. However, the California Exemption describes a
8 different job or function than what is performed by R+F Consultants.

9 130. When AB 5 was passed in 2019, it codified the opinion in *Dynamex Operations West, Inc.*
10 *v. Superior Court of Los Angeles County*, 4 Cal. 5th 903 (2018), in which it set forth a new test for
11 misclassification (the “Dynamex Test”). When the bill was being debated, many in the MLM industry
12 recognized that the Dynamex Test would require them to classify their workers as employees. The
13 Direct Selling Association (“DSA”), the industry lobbying group, pushed for an exemption. As a
14 result of those efforts, AB 5 exempts from the Dynamex Test any salesperson “described in Section
15 650 of the Unemployment Insurance Code, so long as the conditions for exclusion from employment
16 under that section are met.” (“Direct Sales Exemption”). For such workers who fall within the
17 Exemption, the old common law test (rather than the ABC test) would govern the question of
18 employee status.

19 131. For an entity to be covered under the Direct Sales Exemption, the hiring entity must
20 show that the work satisfies all three criteria set forth in the statute, namely that (a) the worker
21 performs one of two specific types of work; (b) the worker’s compensation is directly tied to sales or
22 output, and not hours worked; and (c) the worker and business have an agreement that the worker
23 will be treated as a contractor for tax purposes. If all three criteria are not met, then the Exemption
24

25 ⁶⁶ *Moody’s downgrades Rodan + Fields’ CFR to B3; ratings remain on review for downgrade, supra*, n.8 (reporting that the company “generates about \$1.3 billion in annual revenue”).

1 does not apply, and if the worker otherwise meets the Dynamex Test, they are misclassified. While
2 the third of these criteria—services performed pursuant to a contract identifying the person as an
3 independent contractor—is only facially met, and even if it were an enforceable contract, that factor
4 is not dispositive. As discussed below, the Consultant job does not satisfy the other two criteria.

5 **b. R+F Consultants Do Not Perform the Jobs Identified in the**
6 **Direct Sales Exemption**

7 132. First, for the Direct Sales Exemption to apply, the salesperson must be performing
8 one of two narrowly defined jobs. Specifically, the Exemption requires that one be “engaged in the
9 trade or business of primarily inperson [sic] demonstration and sales presentation of consumer
10 products, including services or other intangibles, in the home or sales to any buyer on a buy-sell basis,
11 a deposit-commission basis, or any similar basis, for resale by the buyer or any other person in the
12 home or otherwise than from a retail or wholesale establishment.” In other words, section (a) of the
13 Direct Sales Exemption is best understood as identifying two specific categories of direct sales jobs,
14 *Primarily In Person Consumer Sales Work*, and *Wholesale/Resale Work*, that could trigger the
15 applicability of the Direct Sales Exemptions. The work of an R+F Consultant does not fall under
16 either of these categories.

17 133. *R+F Consultants Are Not Engaged Primarily in In Person Consumer Sales*
18 *Work*. This job category covers those who are “engaged in the trade or business of primarily in person
19 [sic] demonstration and sales presentation of consumer products, including services or other
20 intangibles, in the home.” Thus, the Direct Sales Exemption is limited to those who are *primarily*
21 selling consumer products *in person* and *in the home*. These terms are significant, as they do not appear
22 in the analogous job category of “direct sellers” under a later federal statute. *See* 26 U.S.C. §
23 3508(b)(2)(ii). Thus, the California Exemption applies narrowly to jobs like door-to-door
24 salespersons, or the direct sellers who work almost exclusively through the home party circuit, i.e.,
25 people who sell consumer products by meeting with other consumers in their homes.

1 134. R+F Consultants do not “primarily” sell “in person” because the job of the
2 Independent Contractor was never intended to be in person sales work. Founder Dr. Katie Rodan
3 shared that they created the role of the Independent Consultant (and the Consultant Community
4 generally) as a direct response to “witnessing this whole decline for retail and the rise of social
5 media.”⁶⁷ See, *infra*, ¶¶ 173-82 (detailing R+F’s willful misclassification of its Consultants as
6 independent contractors rather than employees). By design, as discussed in Paragraphs 66-88, *infra*,
7 the R+F’s technology, strategies, processes (e.g., fulfillment), policies, and Compensation Plan
8 encourage and promote online sales over in person interactions. Co-Founder Dr. Fields takes pride
9 in the fact that they “don’t use the regular marketing and advertising,” and instead built “everything
10 in Rodan + Fields [to] run on [Consultants’] smartphone[s],” such as tools, resources, incentives, and
11 promotions that drive marketing and sales online.⁶⁸ In doing so, R+F made direct, in person sales
12 more cumbersome and challenging, if not impossible, and certainly less strategic or profitable.

13 135. At most, any in person sales that occur are merely incidental to online marketing and
14 selling. As discussed in Paragraphs 8 and 66, *supra*, door-to-door sales are discouraged, and R+F
15 restricts the use of kiosks and the like, all while R+F requires the use of various tools, which it
16 designed to promote online sales. Moreover, R+F does not track in person sales and does not
17 consider them for purposes of advancement or for satisfying obligations under the compensation
18 plan. R+F’s Income Disclosure Statement only tracks online sales. While R+F requires Consultants
19 to personally record and track in person sales, it is only to establish to R+F that they are not violating
20 inventory loading or advance buying rules.

21 136. Consultants market the Consultant Opportunity, i.e., recruit new Consultants, as
22 entirely online, not in person, sales work. Even the Federal Trade Commission addressed this facet
23 of Consultants’ marketing responsibilities when, in 2020, it released a warning to Rodan + Fields to
24

25 ⁶⁷ Castillo, *supra*, n.3.

⁶⁸ *Id.*

1 enforce rules that Consultants cease and refrain from making certain online income-related
2 statements when they market the opportunity itself.⁶⁹

3 137. To the extent that any R+F Consultant was conducting “in person” sales, the COVID-
4 19 pandemic would have pushed more sales online for safety reasons. And in 2021, R+F made
5 additional investments to drive business growth and facilitate online sales; specifically, R+F hired
6 new leadership to restructure the online Consultants’ platform and build tools to make online
7 marketing and sales simpler. *See supra*, ¶¶ 119-121; ¶ 124; ¶ 125, n.62.

8 138. ***R+F Consultants are not engaged in Wholesale/Resale Work.*** This job category
9 covers those “individuals . . . engaged in the trade or business of . . .”:

10 [a] “sales to any buyer”

11 [b] “[i] on a buy-sell basis, [ii] a deposit-commission basis, or any similar basis,”

12 [c] “for resale by the buyer or any other person”, and

13 [d] “in the home or otherwise than from a retail or wholesale establishment.”

14 This classification also has a federal parallel, 26 U.S.C. § 3508(b)(2)(i). While California law does not
15 define the terms buy-sell or deposit-commission in [b], federal law does. The term “buy-sell basis” is
16 one in which one buys the product to sell the product and gets paid for selling the product with the
17 spread between the purchase price and the resale price. *See* 26 U.S.C. 6041A(b)(2)(A) & (B). The term
18 “deposit-commission basis” applies where the buyer keeps as commission for a sale of a product the
19 deposit received from the buyer. *See id.*

20 139. The “Wholesale/Resale Work” category is even narrower than “In Person Home Sales
21 Work” and does not apply to R+F. Rather, R+F requires that Consultants sell only to themselves or

23 ⁶⁹ Warning Regarding Earnings Claims Related to Coronavirus Disease 2019 (COVID-19), Federal Trade
24 Commission (April 24, 2020), [https://www.ftc.gov/system/files/warning-letters/covid-19-](https://www.ftc.gov/system/files/warning-letters/covid-19-letter_to_rodan_fields_llc.pdf)
25 [letter_to_rodan_fields_llc.pdf](https://www.ftc.gov/system/files/warning-letters/covid-19-letter_to_rodan_fields_llc.pdf) [https://perma.cc/6XAU-4HVJ] (providing examples of Consultants’ social
media posts regarding their lucrative work performed exclusively from home during the height of the
COVID-19 pandemic).

1 to retail customers. Nowhere in the Agreement or in Consultants’ public materials does it state that
2 compensation is on a buy-sell or deposit-commission basis.

3 140. To illustrate what is meant by “Wholesale/Resale Work,” a hypothetical Upline
4 Consultant Sue would be performing this work if:

5 [a] Sue (the “seller”) sold a widget to her Downline Consultant Barb (the “buyer”) for \$50;

6 [b] for Barb (or “any other person” Barb transfers the widget to) to re-sell to another person,
7 Paula, for \$60; and

8 [c] Sue compensated Barb for Barb’s successful effort to re-sell the widget to Paula by
9 permitting Barb to keep the difference between the price Barb paid to Sue (\$50) and price at
10 which Barb re-sold the widget to Paula (\$60), either on

11 [i] a buy-sell basis, in which Barb pays \$50 to Sue, then Barb sells the product to Paula
12 for \$60, and Sue permits Barb to keep the difference; or

13 [ii] a deposit-commission basis, in which Paula pays Barb a \$10 deposit, Barb pays Sue
14 \$50 to buy the product to sell to Paula, and upon delivery, Paula pays \$60 to Barb, and Sue
15 permits Barb to keep the \$ 10 deposit.

16 Because Wholesale/Resale Work category applies to the “individual[] . . . engaged in the trade or
17 business of . . .” sales to buyers on resale bases, in this example, the only worker subject to its coverage
18 the person doing the *selling* on a wholesale or resale basis (Sue), not the buyer (Barb). If Barb were
19 selling in person, she would be performing In Person Consumer Sales Work.

20 141. However, R+F Consultants do not work in this way because they do not sell Products
21 to other Consultants for those Consultants to re-sell, and R+F controls compensation. If Barb directs
22 Paula her Consultant Website, and Paula purchases a product from R+F, both Barb and her Upline
23 consultant Sue would receive a commission for sales from R+F. But Sue did not perform
24 Wholesale/Resale Work, because Sue did not sell the Products to Barb, i.e., [a] is not met, nor did
25 Sue pay Barb on a buy-sell or deposit-commission basis, i.e., [c] is not met. Rather, Paula purchased

1 directly from R+F's e-commerce platform at R+F's set price, R+F took the full payment at the point
2 of sale, sent the Product directly to the Paula, and paid commission to Barb and Sue.

3 142. Indeed, Wholesale/Resale Work cannot occur because R+F imposes restrictions on
4 bulk purchasing that make it so Consultants would not sell to their own Downline for those Downline
5 purchasers to sell at retail. Under the Consultant Agreement, Consultants are only permitted to
6 purchase R+F Products in bulk for their own personal use, for use in support of R+F business
7 activities (such as to provide samples), or to resell to Retail Customers – not to sell to other
8 Consultants for those Consultants in turn to sell at retail. Exh. B § 5b. Consultants that wish to
9 purchase Products for the purposes of selling directly Customers purchase directly from R+F's e-
10 commerce platform, not from their Upline.

11 143. Even in the narrow instances where the Consultant sells Products directly to
12 customers, i.e., in person, rather than directing the Customer to her Consultant Website, Consultants
13 do not engage in Wholesale/Resale Work, because the sale to consumers is not for purposes of
14 reselling.

15 144. Even if R+F does not expressly prohibit an Upline Consultant to sell to her Downline
16 Consultants for those Downline Consultants to sell to retail customers, in practice, this is unlikely to
17 occur and not how R+F intends for Consultants to work. First, this kind of arrangement could not
18 actually be carried out on R+F's platforms. Rather, for this to happen, the Upline consultant would
19 have to buy the products from R+F, and once received, physically hand them over to the Downline
20 consultant for them to sell in person. But the R+F compensation and advancement plans key off of
21 both the Consultants' purchases and their online sales. Thus, neither the Upline nor Downline
22 consultant would get any credit for any sales that resulted, and the Downline consultant would not
23 get credit for having purchased Products. In any event, all Consultants pay R+F the same discounted
24 rate for Products, so to incentivize a Downline Consultant to engage in resale work under this model,
25 the Upline Consultant would need to sell them the Products at a price lower than the R+F discounted

1 rate. This is an illogical and unlikely outcome because the Upline would lose money if they chose to
2 participate in Wholesale/Resale Work.

3 145. *The job descriptions in the Direct Sales Exemption predate significant changes*
4 *to how MLMs now operate.* By way of background, these two categories of jobs outlined in the
5 Direct Sales Exemption were how MLMs organized at the time the Direct Sales Exemption was
6 enacted. In the 1970s and 1980s, Downline sellers hosted parties, traveled door-to-door, had booths
7 at local fairs, or visited friends and family in their homes to hand out samples, catalogs, and sales
8 sheets. They took orders and payment directly from the customer. Once the seller had enough orders,
9 the seller placed the order with the company, received the shipment from the company, and then met
10 with the customer again in person to deliver the product and if necessary, collect any further payment
11 that might be due. The direct seller engaged with consumers both directly and personally; the
12 consumers had little to no interaction with the company.

13 146. In some instances, instead of placing the order with the company, the seller performing
14 “In Person Home Sales” would place the order with the person in their “Upline,” who was engaged
15 in “Wholesale/Resale Work.” The Upline seller acquired products from the company and sold them
16 to the Downline “In Person Home Sales” worker on a buy-sell or commission deposit basis for them
17 to sell to end consumers (or to their Downlines). The seller was able to do “Wholesale/Resale Work”
18 because at the time, MLMs permitted direct sellers to fulfill their sales quotas by either selling the
19 product to retail consumers or selling it to Downline sellers.

20 147. Since the Direct Sales Exemption was enacted, various changes in the MLM industry
21 occurred to move away from this model. Most notably is the fact that over the last few decades,
22 MLMs have been forced to make changes to their operations in response to regulatory actions and
23 civil lawsuits by private litigants to enforce anti-pyramid scheme laws. Courts and regulators have
24 made clear that to avoid violating criminal and civil pyramid scheme laws, MLMs needed to conduct
25 operations so as to ensure that real, meaningful sales were happening directly to consumers—instead

1 of primarily to sellers' own Downlines. *See, e.g., Webster v. Omnitrition Int'l*, 79 F.3d 776, 782 (9th Cir.
2 1996). It was not enough to simply have a policy that sales should be at retail; the law has evolved to
3 require MLMs to enforce that policy and to demonstrate its effectiveness at ensuring participants
4 were not merely stockpiling inventory and seeking to recoup losses by recruiting new sellers to buy
5 the product from them.

6 148. These legal developments have prompted two important changes. First, because
7 MLMs must ensure retail sales are occurring, few if any MLMs permit sellers to perform
8 "Wholesale/Resale Work." As discussed herein, R+F does not. Second, the work undertaken by
9 MLMs to enforce policies as to sales at retail results in them exercising far more control than they
10 might have decades ago. Indeed, the R+F Consultant Agreement contains numerous restrictions to
11 ensure Consultants are not buying more inventory than can be sold at retail or selling inventory to
12 other Consultants. *E.g.*, Exh. B § 11h (prohibition on Consultants selling products online on non-
13 R+F websites); *id.* § 5b (prohibiting inventory loading and requiring retention of receipt of bulk
14 purchase to prove at least 70% were resold or used in business activities, or alternatively, requiring
15 Consultant to use all product within 30 days of purchase)); *id.* § 5c(i) (setting limitations on
16 Consultants' personal purchases and subjecting them to R+F review when they exceed \$1000 any
17 given month); *id.* § 5c(ii) (prohibiting "advancement"); *id.* § 6i (requiring Consultants to keep receipt
18 records on retail sales for two years and to provide to R+F at its request). Under the Consultant
19 Agreement, Consultants must sell Product – and often do so at a financial loss – to comply with
20 R+F's prohibition on retaining more than 30% of the products they personally purchased. *Id.* § 5b.

21 149. Furthermore, by implementing platforms such as the Consultant Website and
22 imposing such strict regulations on any sales outside of R+F's e-commerce platforms, R+F can better
23 oversee and control sales of R+F Products and ensure Consultants are not engaging in activities that
24 could run afoul of anti-pyramid scheme laws. R+F essentially oversees all retail sales, given the vast
25 majority occur on R+F controlled websites, not in person. While this control may protect Consultants

1 from being a victim of one kind of legal violation, they also remove much of the discretion that other
2 independent MLM contractors had.

3 **c. The Direct Sales Exemption requires specific compensation**
4 **practices, and R+F’s complicated Compensation Plan does not**
5 **conform with the requirement.**

6 150. For a position to qualify for the Direct Sales Exemption, “[s]ubstantially all of the
7 remuneration (whether or not paid in cash) for the services performed by that individual is directly
8 related to sales or other output (including the performance of services) rather than to the number of
9 hours worked by that individual.” While R+F claims that Consultants are paid commissions based
10 on their sales, remuneration is not “directly related” to the sales and marketing services Consultants
11 perform for R+F, both because of how R+F’s policies and procedures structure pay and because of
12 the outsized role that chance plays. Ultimately, R+F has designed the Consultant Program such that
13 Consultants are required to perform extensive unpaid labor promoting the brand – for purposes of
14 sales and marketing the Program itself, from which R+F, but not the individual Consultant, directly
15 benefits. And even when R+F does pay Consultants for their work, it is not “directly related” to the
16 output of the Consultant.

17 151. *First*, R+F ultimately closes the sale, which can result in a Consultant earning income
18 that is not “directly related” to their output, but intertwined and dependent on R+F’s discretion and
19 efforts. R+F sets and controls prices that Consultants display on their Consultant Websites, writes
20 up the product descriptions, controls the point-of-sale platform and the decision on whether to
21 accept payment and fulfill the order, and packages and ships the Products to the end consumer. R+F
22 can decline a customer’s payment method, cancel the order due to a shortage or a suspicion of fraud,
23 err in its fulfillment and must refund the consumer, have a website outage that prevents the order
24 from going through, or otherwise decline or reject the sale for any reason. *See* Exh. A at 3, § 7 (“R+F
25 reserves the right to accept or decline any order for R+F Products, and may cancel or delay shipment

1 of R+F Products for any reason, including without limitation if Consultant fails to make any required
2 payment or otherwise fails to comply with the Consultant Agreement.”); *id.* § 8 (“Consultant
3 authorizes R+F to deduct from any payments due to them the difference between the price paid by
4 Consultant for any R+F Products and any refunds actually paid by R+F to Customers or credit card
5 chargebacks processed, consistent with [its policy providing] . . . the right to return R+F Products
6 within 60 days of purchase for a full refund.”); Exh. B § 10c (describing refunds under the Customer
7 Satisfaction Guarantee policy, applicable to online sales and in person); *id.* § 12c–d (detailing
8 commissions and rewards deducted from Consultant’s current and future qualifications related to
9 “Commission and Achievement Rewards”). In those instances, the Consultant will not receive a
10 commission even though the Consultant referred the customer. Where direct sellers are not
11 dependent on a company-controlled e-commerce platform, their commission for sales is more likely
12 to reflect sales made. They do not run the risk of company interference if they elect to permit a
13 customer to defer payment and can choose to invest in good inventory management practices.

14 152. **Second**, because R+F has a “Preferred Customer” program, by which the customer
15 can elect to automate the purchase and shipment of refills of products (e.g., customer can set up an
16 auto-ship, where refills are re-ordered and re-shipped on a set schedule), the Consultant’s
17 remuneration after the initial sale depends in substantial part on R+F’s efforts. Customers may
18 choose to cancel auto-shipments because of any number of things in the exclusive control of R+F,
19 such as their dissatisfaction or boredom with the product, billing errors, price increases, or changes
20 to the terms of service. While a Consultant may be able to assist in the troubleshooting of some kinds
21 of concerns raised by their Preferred customers, ultimately R+F’s outsized role in delivering the
22 goods, means that remuneration will never “directly relate” to the Consultant’s output.

23 153. R+F has further divorced a Consultant’s output from remuneration in how it credits
24 the Consultant for auto-ship sales by Preferred Customers, as under the Compensation Plan, R+F
25 does not pay Consultants commissions on all of their sales. *See generally*, Exh. I; Exh. B, Appx A.

1 While Consultants are directed to market the program to customers and tout the benefits of enrolling
2 in auto-ship, R+F imposes barriers to receiving compensation for this work. For example, R+F does
3 not pay Consultants commission on the auto-ship purchases made by those Preferred Customers
4 unless the Consultant has satisfied other sales metrics and/or purchased a certain volume of Products
5 directly from R+F. Because of this barrier, Consultants risk lose commissions every time they
6 successfully enroll a new Preferred Customer.

7 154. *Third*, the realities of online advertising throws to chance whether a Consultant can
8 be compensated in a way that “directly relates” to their output and sales. While R+F claims a
9 Consultant will receive commission for the sales they generate, because R+F intends for its
10 Consultants to generate online sales through collective, coordinated social media marketing
11 campaigns, R+F cannot always connect an individual Consultant’s marketing efforts to the sales leads
12 the Consultants collectively directed to R+F, leaving the Consultant uncompensated for those sales.
13 For example, a retail customer may choose to purchase R+F Products specifically because of a
14 Consultant’s marketing efforts, but if they do not purchase through the Consultant’s Website or go
15 through the cumbersome process of looking the Consultant up on the R+F website to provide her
16 Consultant ID upon purchase the Consultant will not receive any commission for the purchase.

17 155. As another example, R+F will often communicate to Consultants an urgent need to
18 market a Product, such as when there is a new launch or when it wants to offer a special promotional
19 price. But these reflect a decision by R+F to push a given product in a way that will cause it to trend
20 and gain traction on social media in a way that is beneficial to R+F, but not necessarily to the
21 Consultant. Where a Consultant conforms with R+F’s directives to post within their groups or
22 networks on social media, they will not receive any compensation for contributing to the trend that
23 will drive overall sales. They only receive commission if social media algorithms display to a potential
24 or existing customer their social media post, and a consumer elects to visit their Consultant Website
25 (perhaps randomly selecting it from the many other Consultant Websites being simultaneously

1 promoted to them in connection with the viral campaign), and then elects to make their purchase
2 through that Consultant's Website.

3 156. *Fourth*, remuneration is not "directly related" to sales or other output, as Consultants
4 generate revenue for R+F separate from Product sales, but R+F does not compensate Consultants
5 for this output. For example, each visit to a website has economic value, regardless of whether a
6 purchase is made, and Consultants receive no compensation for their work to drive that traffic. As
7 with any modern e-commerce company, R+F's Privacy Policy gives it the right to acquire and retain
8 all information provided by visitors to its website (including the Consultant's Personal Websites).
9 Exh. G. Its Privacy Policy permits R+F to utilize tracking pixels, cookies, and other internet tracking
10 tools to monitor the browsing habits of the visitors to its website, and engage in direct advertising to
11 them—broad rights not given to the Consultants who found and referred these customers. *Id.* Thus,
12 R+F benefits from the leads and marketing done by its Consultants, even when consumer sales are
13 not immediately made (and thus, no compensation is to be paid to the Consultant). The data the leads
14 provide allow R+F to not only expand its advertising reach but acquire information that can be used
15 to develop new campaigns and products or inform strategy. R+F could also sell data it acquires as a
16 result of Consultants' hard work recruit and generating leads and referrals but under their
17 Compensation Plan does not pay any commissions to the Consultant in those instances. R+F
18 exclusively owns the data and cuts off Consultants' access to the data they generated through their
19 customer engagement and sales work, either through their own Consultant Website or by directing
20 traffic to the R+F Website, after they stop paying for their PULSE Pro subscription or their
21 Consultant Agreement terminates. Exh. F. ("Pro features will be downgraded to Basic and all
22 previously entered data will be deleted including, but not limited to, your [Consultant Website],
23 contacts, and advanced reporting.").

24 157. Moreover, because of R+F's ability to acquire data from Consultant leads, R+F can
25 continue to track and advertise to customers who were originally brought to R+F's-controlled

1 websites by the Consultant. R+F has the power to target ads directly at these prospective RCs. Unlike
2 the Consultant, R+F knows exactly Products the lead viewed, and can engage in ongoing display
3 advertising to that person. Notably, R+F does not agree at any time that it will not compete with
4 Consultants or poach their customers. Exh. B § 6r.

5 158. Consultants do not own any of the data they generate or acquire and are provided by
6 R+F based on their own sales performances, purchasing patterns of their Preferred Customers, or
7 the performance of their Downlines, even though all this information is reflective of the Consultant’s
8 hard work and output. *Id.* § 6r (prohibiting Consultants from disclosing any material in Performance
9 Reports). Consultants lose access to all of this data upon termination of their Consultant Agreement.
10 *Id.* § 15c (effect of termination).

11 159. R+F also requires that Consultants “authorize[] R+F to use Consultant’s name,
12 photograph or personal story, as well as any photos, videos or other testimonial or endorsement
13 material submitted by Consultant to the Company, in R+F promotional materials and waives any
14 claims for remuneration for such use by R+F.” Exh. A at 2, § 5. In other words, R+F profits not
15 only from the Consultant’s sales and marketing work, but R+F owns and profits – at no expense to
16 them – from content that Consultants generate and any branding associated with their own personal
17 image, i.e., a Consultant’s creative output, they’ve developed in purportedly running their own
18 independent businesses.

19 160. Furthermore, “R+F reserves the right to communicate and do business with any
20 Customers acquired through Consultant’s efforts without restriction of any kind[,]” which further
21 obfuscates the relationship between a Consultant’s output and remuneration. *Id.* at 3, § 7. Here, R+F
22 capitalizes on the relationship the Consultant spent time and effort into cultivating and authorizes
23 itself to conduct business with the Customer without directly relating any sales generated back to the
24 Consultant.

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d. R+F's Modern E-Commerce Business Is Unlike Past and Present Direct Sales Companies.

161. The Direct Sales Exemption and its inclusion in AB 5 was based on the MLM industry's claim that it is needed to ensure the industry could continue to offer people the opportunity to create and run their own businesses. Some MLM businesses do run operations that are predominately based on around in person sales, promoting home parties and sales at community events, like Parent Teacher Association meetings or similar. Some do not allow consumers to buy products via a company website or they utilize pricing and purchasing policies that give the seller more control. In the primarily face-to-face, in person sales context, the direct line between a person's effort and a closed sale may still be possible to draw and may allow for the kind of independent business operations contemplated by the statute.

162. R+F's operations, however, are a stark departure because sales are almost exclusively made online on R+F's e-commerce platform. And the way in which it operates its platforms, including the non-customizable Consultant Website, backend resources it provides to Consultants, and the constraints on where and how to market and sell the Products, eliminates nearly all the work for the Consultant associated with operating a business, as compared to MLMs of the past, and of some in the present. By removing many of the functions performed by sellers in the past, Consultants with expertise, skills, or a willingness to invest in certain areas are unlikely to realize a material change in their earnings prospects.

163. For example, the use of the Consultant Sites to make and process orders means that skills or investment in inventory management or distribution processes are irrelevant to one's business operations. When customers place orders on the Consultant Sites, R+F fulfills them. Unlike some MLMs, both current and historic, as well as in the traditional wholesale context, Consultants do not need to plan to have Product on hand or collect bulk orders.

1 164. Similarly, expertise or support in accounting, finance, economics or pricing will not
2 impact a Consultant's success, because Consultants are not able to adjust prices at which the Products
3 are sold on their Consultant Website; R+F sets pricing at a rate that it determines will cover R+F's
4 expenses, regardless of whether the Consultant's compensation is enough to cover the Consultant's
5 expenses. R+F calculates, collects, and remits sales taxes for all sales, except in the narrow instances
6 where the Consultant resold Products directly to Customers and made a profit on that sale. Exh. B §
7 6q. Therefore, Consultants do not need, nor would they benefit from, experience in that area,
8 especially given all of the disadvantages and disincentivizes to sell in person. Unlike some MLMs,
9 both current and historic, as well as in the traditional wholesale context, R+F does not give a larger
10 discount or if the Consultant purchases a larger amount of Products to resell in person nor does it
11 increase the percentage basis for a commission on a per-order-basis if a Customer orders a larger
12 amount of Products from the Consultant's Website.

13 165. R+F is exclusively responsible for paying Upline and Downline Consultants and
14 determines any compensation owed to them, and thus, a Consultant does not negotiate or set anyone
15 else's rates of pay. R+F handles the payment interface, and thus Consultants do not need expertise
16 in electronic payments, data security and privacy, credit card processing regulations, or similar.
17 Consultants also require no skill in management other individuals since R+F provides tools to track
18 Downline performance and R+F sets Downline compensation.

19 e. **The Terms and Conditions in the Consultant Agreement are**
20 **Unconscionable, Unfair, and Unlawful**

21 166. The Consultant Agreement between R+F and Consultants is a tool and mechanism
22 by which R+F exerts control over the Consultant while maximizing R+F's profits. The Consultant
23 Agreement is a take-it-or-leave it deal, with no opportunity for negotiation. Only after enrolling and
24 beginning the work do Consultants discover that the arrangement is one in which they will spend
25

1 extraordinary amounts of time and money promoting the company with little payoff.⁷⁰ Indeed, the
2 effect of the Consultant Agreement, when considered in tandem with R+F's other business practices,
3 grossly restricts Consultants' ability to profit from their work, and may cause Consultants to turn
4 attention to recruiting more Consultants into a futile business endeavor.

5 167. Indeed, MLMs like R+F have been criticized for the fact that few of the sellers manage
6 to profit. At least one study concluded that 99% of MLM participants do not earn money,⁷¹ another
7 found that only 25% earned a profit.⁷² R+F's numbers are consistent with this low rate of success; as
8 discussed in, Paragraph 177, *infra*, regarding R+F's willful misclassification of its Consultant
9 workforce as Independent Contractors, R+F Consultants rarely make any money. In 2019, 2020,
10 2021, and 2022, 45%, 50%, 56%, and 33% of Consultants, respectively, did not receive a single
11 commission check during the entire year. Exh. C. But most Consultants who *did* receive a commission
12 check did not fare much better. R+F's annual Income Disclosure Statement reports that median
13 annual income for Consultants who did receive at least one payment in 2022 (67% of the Consultants
14 enrolled) was \$366. *Id.* at pp. 1-2. 56% of these Consultants (equivalent to 73,920 Consultants of the
15 197,000 enrolled Consultants in 2023) had fewer than 5 Preferred Customers, and this group's median
16 commissions was \$143, and some earned as little as \$20 last year, which does not account for their
17 business expenses. *Id.* In other words, their net income from their work as a Consultant was
18 substantially lower. As described throughout, Consultants purchase a Business Starter Kit in their
19 first year for \$75, most Consultants subscribe to PULSE by Penny Pro for \$24.95 (\$299.40 annually),
20 Consultants purchase hundreds of dollars in Products to both reach their 100 "Sales Value threshold

23 ⁷⁰ See, e.g., Abby Vesoulis & Eliana Dockterman, *Pandemic Schemes: How Multilevel Marketing Distributors Are*
24 *Using the Internet—and the Coronavirus—to Grow Their Businesses*, TIME (Jul. 9, 2020),
<https://time.com/5864712/multilevel-marketing-schemes-coronavirus/> [https://perma.cc/F79C-8ZSD].

24 ⁷¹ *Id.*

25 ⁷² *What is Multilevel Marketing (MLM)?*, AARP Foundation, <https://www.aarp.org/aarp-foundation/our-work/income/multilevel-marketing/> [https://perma.cc/9X2C-QBNU].

1 and so that they can honestly and authentically market the Products,⁷³ as required under the
2 Consultant Agreement, and they pay for their internet and phones which they rely on to conduct
3 business and other incidental expenses.

4 168. The Consultant Agreement is designed in a way that all but guarantees Consultants
5 receive low commissions in exchange for hard work advertising and selling R+F Products. While the
6 Consultant Agreement entitles Consultants to receive 17% commission for each consumer product
7 purchased by non-Preferred Customers that can be linked back to that Consultant, or 24% for
8 Products purchased by Preferred Customers, the Consultant Agreement operates to limit a
9 Consultant's earning potential in unforeseeable, surprising, and unfair ways, particularly for
10 Consultants who are not experienced in sales or business.

11 169. To make a sale, Consultants must compete not only with other Consultants, while
12 abiding by R+F's non-solicitation policies, but with a multi-million-dollar corporation that is selling
13 the same Products to the same general public through its own R+F website. While the Consultant
14 Agreement restricts Consultants from exercising discretion in areas such as marketing, pricing, and
15 use of the intellectual property, R+F itself is not subject to these same rules and regulations. And, as
16 discussed, R+F's Privacy Policy gives R+F the exclusive right to advertise directly to any customer
17 that was driven to the R+F Website by a Consultant's marketing work. Exh. G.

18 170. Moreover, as discussed throughout, while Consultants are limited in terms of where
19 they may market, display, and sell R+F Products and prohibits mass media advertising, R+F has no
20 such limitations. It can buy paid advertisements through social media and other mediums, a privilege
21 its Consultant Agreement prohibits Consultants from utilizing. And while Consultants cannot sell at
22 various retail establishments and may not sell at wholesale, R+F authorizes itself to sell in stores and
23

24 ⁷³ R+F actually markets Consultants has having "experience using . . . the Rodan + Fields products." *General*
25 *FAQ*, Rodan + Fields, <https://www.rodanandfields.com/en-us/r-and-f-faqs> [https://perma.cc/5CBY-2A46].

1 therefore have negotiating power that Consultants do not have.⁷⁴ In other words, while this
2 arrangement may stop counterfeiters or what R+F refers to as “a matter of fairness,” it also allows
3 R+F to stop Consultants from selling on Amazon or other third-party marketplaces to attract more
4 customers or offer lower prices. *See generally*, Exh. B §11g-l. And it allows R+F itself to advertise and
5 sell directly to more customers, possibly poaching Consultants’ existing customer bases and diverting
6 more of the public to R+F and away from the Consultants, which R+F has authorized itself to do.

7 171. Moreover, R+F has structured its business operations to benefit from the addition of
8 more Consultants, i.e., more brand awareness, sales, in addition to free recruiting and training labor
9 by Consultants, while Consultants lose. R+F receives a minimum of \$24.95 a month from each
10 PULSE by Penny Pro subscribing Consultant, without incurring additional expenses for these
11 acquisitions, but as discussed, the reality is they purchase hundreds of dollars in Product per year.
12 While R+F benefits from an oversaturation of Consultants, the individual Consultants, only have
13 more competitors and a harder time setting themselves apart. And nowhere in the Consultant
14 Agreement does R+F promise to limit the number of Consultants retained in any way.

15 172. Given that Consultants must compete with R+F and other Consultants for retail sales,
16 Preferred Customers, and new Downline Consultants under such oppressive and onerous terms, it is
17 no surprise that the overwhelming majority never receive commission and struggle to break even.
18 But because Consultants receive commission from the retail sales made by any Consultants they
19 recruit and ultimately sponsor, R+F’s own Income Disclosure Statements indicate that those who
20 advance to higher levels through recruiting more Consultants on average earn more money. *See*
21 *generally*, Exh. C. Thus, Consultants have a financial incentive—and are expected to— promote the
22 opportunity to work for R+F under these unfair, unconscionable, and oppressive terms. Those new
23 Consultants in turn usually pay R+F \$24.95 monthly, purchase merchandise including but not limited
24

25 ⁷⁴ *General FAQ, supra*, n.73 (providing that they sell through products “primarily” through Consultants).

1 to Products, promote R+F on all of their social media networks, are subject to the same restrictions
2 on selling as those who recruited them, and like those before them, find profiting from selling to be
3 futile and turn to recruiting, which is also often fruitless.

4 **C. R+F's Misclassification of Plaintiff and Consultants Was Willful**

5 173. R+F's decision to misclassify the Consultants as independent contractors was willful
6 and intentional.

7 174. *First*, R+F is based in San Ramon, California, and employs personnel in a variety of
8 roles there, and thus, it is implementing California's labor and employment laws as a matter of regular
9 practice. It is a highly sophisticated, large company, whose legal team includes California lawyers,
10 both those at the prestigious law firms that provide it representation in other matters, as well as those
11 comprising its team of in-house counsel. Both its management and its legal team would be exposed
12 to news about changes in California law with respect to misclassification.

13 175. *Second*, as detailed above, R+F's Consultant Agreement, as well as the materials in
14 the Library on its proprietary platform exclusively available to Consultants, set forth detailed codes
15 of conduct. R+F knew and intended for Consultants to conform to these codes of conduct –
16 mandated under the Consultant Agreement and Policies and Procedures – and ensured adherence
17 through its platforms and other instrumentalities, including the use of the tools to monitor
18 Consultants' online conduct. *See, supra*, ¶¶ 78, 104-109 (describing R+F exerting control through its
19 monitoring practices).

20 176. *Third*, R+F knows and depends on the Consultants and even the highest levels of the
21 company understand that the Consultants have immense value to the success of the company and
22 play an essential role in R+F's revenue, growth, and business model. *See generally, supra*, ¶¶ 115-172
23 (detailing how Consultant work is part of R+F's usual course of business). The management team,
24 including but not limited to the CEO, CFO, and Chief Global Sales Officer not only understand the
25 essential role the Consultants play, but know they are classified as independent contractors, as

1 evidenced both the Founders decision to repurchase their company for the purposes of relaunching
2 R+F with a Consumer Connected Commerce business model, i.e., dependent on a workforce
3 of Consultants (“Consultant Community”) to leverage social media rather than R+F’s
4 previous retail strategy. *See, supra*, ¶¶ 32, 124. Thus, the decision was not a singular decision by a
5 low-level employee, but a conscious and knowing choice envisioned and strategized by the Founders
6 and continuously endorsed and improved upon by the highest levels of the Company. *See generally*
7 (discussing strategic decision to hire additional leadership to manage and optimize Consultant
8 workforce and workflow).

9 177. **Fourth**, R+F further knows and understands as an MLM, only a small fraction will
10 make money under its commission structure and reports data that highlight that exact outcome.
11 Indeed, the commission structure here represents a significant cost savings over the payment of
12 wages. R+F publishes an annual Income Disclosure Statement of Consultant earnings, which shows
13 that the median annual income for Consultants who did receive at least one payment in 2022 (67%
14 of the Consultants enrolled) was \$366. Exh. C at pp. 1-2. Notably, an even greater percentage of
15 Consultants enrolled received zero commissions in 2019, 2020, and 2021, 45%, 50%, 56%,
16 respectively. *Id.* at pp. 1-8. As mentioned, none of those reported income values account for
17 Consultants’ out-of-pocket costs. In 2022, only 42,000 of 132,000 Consultants that received a
18 paycheck that year had Downlines – likely that the remaining 65,000 that received zero commissions
19 that year also did not have any Downlines. *Id.* at pp. 1-2. In other words, only 25% had Downlines
20 and thus benefited by earning commissions on sales made by other Consultants. Thus, R+F is well
21 aware that it is receiving inexpensive, commission-based work from the Consultants and intentionally
22 structured the Consultant Program to leverage word of mouth efforts it does not have to pay for.

23 178. **Fifth**, R+F knew that its Consultants were not engaged in either type of work
24 protected under the Direct Sales Exemption. It does not use terms like “buy-sell” or “deposit-
25 commission” in its compensation documents or Consultant Agreement. It also knows that its

1 Consultants engage primarily in social media marketing on its behalf, and are rarely, if ever, engaging
2 in person sales or hosting parties in others' homes, particularly during and since the COVID pandemic.
3 And it designs platforms, such as the R+F e-commerce platforms, including the Consultant's
4 Personal Website, to facilitate online sales and marketing. *See generally, supra*, ¶¶ 80-88 (describing how
5 R+F's reliance on its e-commerce platforms pushes Consultants into online sales).

6 179. **Sixth**, R+F knew the Direct Sales Exemption was enacted years ago, and there was
7 no guarantee that all MLMs could enjoy its protection. Rather, R+F has been an MLM since 2007
8 and thus, would know that the classification of MLM workers has for years been one of the most
9 critical legal and policy issues for the industry.

10 180. Specifically, R+F is a member of the Direct Selling Association ("DSA"), an MLM
11 lobbying association, which disseminates updates about its activities to its members, including its
12 lobbying efforts for exemptions to wage and hour laws for its members. For years, it has issued
13 warnings and information to its members, advising them to review their agreements to ensure
14 conformity.

15 181. For example, in 2018, the DSA filed an amicus brief in a misclassification case pending
16 before the Oregon Supreme Court. There, the court determined that the MLM had misclassified its
17 sales personnel as independent contractors. *See ACN Opportunity, LLC v. Employment Department*, 362
18 Or. 824 (2018). The decision was based in part on the fact that the statute exempted sales "in the
19 home," and the legislative history indicated that this Exemption was narrowly tailored to apply to
20 things like Tupperware parties. Notably, the concurrence made clear that the direct sales laws on the
21 books reflect outdated direct selling practices and may not reach many modern MLMs.

22 182. It is hard to imagine that R+F would not have learned of a decision by a neighboring
23 state supreme court, particularly given the decision's significance to its industry, the role played by
24 the DSA, and the timing in the wake of the *Dynamex* decision locally. And shortly after its passage,
25

1 the DSA announced the creation of an “Independent Contractor Initiative” to combat the
2 consequences of that decision and ensure stronger state laws.⁷⁵

3 **D. R+F’s Misclassification of Consultants and Unfair Business Practices Harm**
4 **the California Public**

5 183. R+F’s misclassification of its workers and unfair and unconscionable business model
6 threatens the general public. Because R+F has no incentive to stop these practices and boasts its
7 efforts to expand these practices, a public injunction is necessary to stop these practices.

8 **1. R+F Utilizes Widespread Marketing Practices Directed at the General**
9 **Public to Recruit New Consultants**

10 184. R+F has eschewed traditional recruiting practices in lieu of widespread advertising.
11 Because of how R+F recruits, nearly everyone in the state of California is likely to be targeted for
12 recruiting and engagement in R+F’s unfair and unlawful business model.

13 185. Rather than market job opportunities to job seekers meeting certain criteria, R+F uses
14 its Consultants to promote the R+F Consultant Program in the same way they market its Products,
15 i.e., it publishes advertising, marketing and information materials for the Program, too, not just the
16 Products. Exh. B, Appx B at B5 (defining R+F Marketing Materials). Moreover, R+F’s marketing
17 restrictions apply to Consultants’ marketing of not just the Products, but also the Program. *See e.g.,*
18 *id.*, Appx. C (detailing requirements “[w]hen sharing information about the R+F Products and
19 Programs” under the R+F Consultant Code of Business Ethics). R+F has made clear that it views
20 every Retail or Preferred Customer as a prospective Consultant. For example, in the same form that
21 a consumer or visitor to a Consultant’s Website submits to request speaking with the Consultant,
22

24 ⁷⁵ See Jeff Babener, *Op-Ed by Jeff Babener in the World of Direct Selling: DSA Launches Independent Contractor Initiative*,
25 Direct Selling Association (Sept. 10, 2018), [https://www.dsa.org/events/news/individual-press-release/op-
ed-by-jeff-babener-in-the-world-of-direct-selling-dsa-launches-independent-contractor-initiative](https://www.dsa.org/events/news/individual-press-release/op-ed-by-jeff-babener-in-the-world-of-direct-selling-dsa-launches-independent-contractor-initiative)
[<https://perma.cc/EQ89-CP8K>].

1 R+F provides the option for the viewer to select I am interested in “learning more about R+F
2 products” or “Becoming a Consultant.”⁷⁶

3 186. As discussed in Paragraphs 8, 56, 80-88, *supra*, and generally throughout, R+F has set
4 up its compensation structure and business model to incentivize Consultants to turn to recruiting,
5 and those Consultants in turn will promote the opportunity to their customers, as well as their family
6 and friends. Thus, the public does not need to be affirmatively seeking out job opportunities; merely
7 buying a routine consumer good or having a friend or family member working as a Consultant may
8 subject them to recruiting messaging, and by extension, could lead them to complete an application,
9 agree to the terms of the Consultant Agreement, and become a Consultant.

10 187. Moreover, R+F’s reliance on its Consultant Community to market the Consultant
11 opportunity is likely to cause the message to reach the general public at large, as its network is
12 enormous. At its peak in 2018, R+F’s Consultant Community consisted of 411,000 Consultants.⁷⁷
13 The most recent data reported, for 2022, shows there were 197,000 Consultants enrolled in the
14 Program in the United States. Exh. C at p. 2.

15 188. Consultants need not respect geographic boundaries when marketing the opportunity
16 to become a Consultant for R+F. *See* Exh. B § 5h (authorizing Consultants to sell anywhere in their
17 Home Country or other Authorized Country). Thus, any member of the California public who either
18 personally knows an R+F Consultant or follows one on social media, regardless of where the
19 Consultant lives, is likely to receive messages about the Consultant opportunity. *See id.* § 6r
20 (recognizing that trying to limit geographic scope of policies related to marketing or soliciting direct
21 selling business opportunities “would render them wholly ineffective” because “network marketing
22 is conducted through networks of independent contractors, and business is commonly conducted via
23 the Internet and telephone”).

24
25 ⁷⁶ *See e.g.*, <https://eylajosiemore.myrandf.com/en-us/pws/pwsAboutMe> [https://perma.cc/EAH5-4PRF].

⁷⁷ Voytko, *supra*, n.4; *see also* Carroll, *supra*, n.4.

1 189. Because of the financial incentives those Consultants receive, members of the public
2 may sometimes repeatedly and consistently receive marketing about the Consultant opportunity over
3 weeks or months at a time, and perhaps from multiple Consultants. Indeed, each newly accepted
4 Consultant presents the risk of an exponential increase of Consultants. Consultants can maintain their
5 status and receive additional compensation based on the sales volume of the Downline Consultants
6 that they recruited. Therefore, the more Consultants recruit to join their Downline, the more likely it
7 is that they will be able to generate more income.

8 190. Because Consultants are incentivized to aggressively recruit new Consultants, and R+F
9 considers every customer to be a potential Consultant, California’s residents are vulnerable to long-
10 term consequences of R+F’s rampant misclassification. Notably, R+F is not a selective employer; it
11 requires little in the way of experience or other criteria like minimum education level. The
12 overwhelming majority of adults in the state of California are likely qualified for the job, and millions
13 of people in the state may seek out this opportunity. Indeed, it is estimated that one in every thirteen
14 Americans will participate in an MLM at some point in their lifetimes.⁷⁸ This could translate into
15 hundreds of thousands of Californians, if not millions of Californians, who are at risk of being
16 recruited into an illegal and unfair working arrangement.⁷⁹ Notably, in 2022 California had 1,525,948
17 individuals involved in direct selling, i.e., working under an independent contractor sales contract –
18 the highest number in the country.⁸⁰

20 ⁷⁸ Marguerite DeLiema, et al., *AARP Study of Multilevel Marketing: Profiling Participants and their Experiences in*
21 *Direct Sales*, AARP Foundation (2018), at 13,
https://www.aarp.org/content/dam/aarp/aarp_foundation/2018/pdf/AARP%20Foundation%20MLM%20Research%20Study%20Report%2010.8.18.pdf [https://perma.cc/7T9E-QE5Y].

22 ⁷⁹ To further contextualize, R+F has over two million Preferred Customers across the U.S., Canada, and
23 Australia, and many more Retail Customers, all of whom are exposed to marketing and recruiting efforts to
24 become a Consultant, because as discussed, both R+F and its Consultants market Products and the Program
25 simultaneously, which does not even account for exposure to individuals who as of yet have never purchased
R+F Products. *About Us*, *supra*, n1.

⁸⁰ *Impact of Direct Selling by State, 2022*; Direct Selling Education Foundation,
https://www.dsa.org/docs/default-source/industry-fact-sheets/2023statestatsfactsheetv2.pdf?sfvrsn=c11ed2a5_2 [https://perma.cc/HRS5-3UUG].

1 **2. R+F’s Unfair and Unlawful Conduct Harms California In Other Ways**

2 191. R+F is responsible for perpetrating economic and social harms on Californians
3 through its misclassification of its Consultant workforce. By choosing not to compensate Consultants
4 for their time or reimbursing their business expenses, R+F siphons away their time and resources,
5 which harms them and their families. For example, it is well documented, including in R+F’s very
6 own Income Disclosure Statements, that most MLM salespeople do not earn money. Exh. C. One
7 study, published in 2017 by the Consumer Awareness Institute, analyzed 350 MLMs with publicly
8 available data and reported that 99% of MLM sellers lost money, after deducting upfront and
9 recurring costs.⁸¹ Another study of 1,049 MLM salespeople revealed that the median hourly rate
10 among sellers was equivalent to less than 70 cents per hour.⁸² This is particularly troubling given
11 MLM companies, including R+F, continue to market and promote the Consultant “opportunity” as
12 an “income” or “business” opportunity, knowing full well that the vast majority of its Consultant
13 workforce will experiences losses. It is also not uncommon for Consultants to accumulate credit card
14 debt due to their non-reimbursed business expenses.⁸³

15 192. R+F’s unfair and unlawful practices leave Consultants with fewer resources to invest
16 in their families or in legitimate businesses and less time to spend working for real, guaranteed wages.
17 Instead of the opportunity being a “side hustle” that allows them to pay off mortgages or student
18 loan debt, cover costs of childcare, or otherwise advance financially, the loss of money from fruitless
19 financial investments as a Consultant could cause them greater economic hardship.

22 ⁸¹ Consumer Awareness Institute, Taylor, Jon M., MBA, Ph.D., *The Case (for and) against Multi-level Marketing*
23 (2011) Multi-Level Marketing Unmasked—Why Multilevel Marketing Is Unfair and Deceptive; available
https://www.ftc.gov/sites/default/files/documents/public_comments/trade-regulation-rule-disclosure-requirements-and-prohibitions-concerning-business-opportunities-ftc.r511993-00008%C2%A0/00008-57281.pdf [https://perma.cc/RU2J-JJ4Q] (cited by the Federal Trade Commission).

24 ⁸² Brittney Laryea, *Survey: Vast Majority of Multilevel Marketing Participants Earn Less Than 70 Cents an Hour*, Magnify
25 Money (Sept. 17, 2018), <https://www.magnifymoney.com/news/mlm-participants-survey/>.

⁸³ *Id.*

1 193. MLMs notoriously target women to sell health and wellness, beauty, and household
2 products by marketing an unattainable dream of financial freedom, particularly stay-at-home mothers,
3 who may be boxed out of traditional workforce opportunities due to lack of flexibility in setting their
4 own work schedules. Through this strategy, they succeed in “manipulat[ing] the existing cultural
5 context surrounding women . . . [of] homemaking and feminism”⁸⁴ to sell these products designed
6 for women, evidenced by the fact that 75% of the MLM workforce across industries consisted of
7 women.⁸⁵

8 194. Rodan + Fields is no exception, and through its unlawful and intentionally predatory
9 practices, Rodan + Fields has accumulated a vast network of predominately women to sell cosmetics
10 and skincare products to other women.⁸⁶ This outcome is by design and consistent with R+F’s brand
11 messaging around female empowerment.⁸⁷ Consequentially, R+F has disproportionately harmed and
12 disempowered thousands of Californian women, who have wasted thousands of dollars with no
13 return on their investment to become and maintain their status as Consultants thanks to R+F’s
14 unlawful conduct.

22 ⁸⁴ T. True Fullmer, *Multilevel Marketing: A Tax on Our Communities*, Marriott Student Review,
23 <https://marriottstudentreview.org/weekly-blog/multilevel-marketing-a-tax-on-our-communities/>
[<https://perma.cc/YW5V-67U4>].

24 ⁸⁵ *Direct Selling in the United States 2022 Industry Overview*, *supra*, n.29.

24 ⁸⁶ *Multilevel Marketing: A Tax on Our Communities*, *supra*, n.84.

25 ⁸⁷ Rodan + Fields, official Facebook page (Mar. 6, 2019), <https://www.facebook.com/rodanandfields>
[<https://perma.cc/WWH9-5ABB>].



195. Beyond recruitment, R+F’s misclassification of their Consultants harms Californians both economically and socially, and disproportionately impacts women, who make up 75% of consultants in direct selling businesses, and a far greater percentage when the products are cosmetics.⁸⁸ When Consultants lose money and accumulate credit card debt, they and their families are harmed by the siphoning away of their uncompensated time and lost money on business expenses. This results in them and their families having fewer resources to invest in legitimate businesses and less time to spend working for real, guaranteed wages. And instead of the opportunity being a “side hustle” that allows them to pay off mortgages or student loan debt, cover costs of childcare, or

⁸⁸ *Direct Selling in the United States 2022 Industry Overview*, *supra*, n.29.

1 otherwise advance financially, the loss of money from fruitless financial investments as a Consultant
2 could cause them more economic hardship.

3 196. This public harm intensifies during periods of crisis. There was an increase in deceptive
4 marketing at the start of the COVID-19 pandemic, whereby Consultants were “unlawfully
5 misrepresent[ing] that consumers who become Rodan + Fields business opportunity participants are
6 likely to earn substantial income.”⁸⁹ The Federal Trade Commission was compelled to issue a warning
7 to Rodan + Fields regarding its Consultants’ claims on social media and advising R+F to require
8 Consultants to cease making these misleading statements.⁹⁰

9 197. Many MLMs have grown during the COVID-19 pandemic, recruiting salespeople by
10 promising remote work for the unemployed.⁹¹ At the onset of the pandemic, Consultants posted on
11 social media that R+F provided them the chance to earn extra income in a time when so many were
12 struggling.⁹² The Federal Trade Commission cracked down on Rodan + Fields on April 24, 2020,
13 almost immediately after the pandemic began, issuing a warning to the company related to its
14 Consultants’ misleading representations about the likelihood of earning substantial income by
15 becoming a Consultant.⁹³ R+F was forced to reign in its Consultants’ recruitment posts, sending out
16 the compliance reminder email in December 2020 discussed in paragraph 106. Ultimately, the
17 Consultants salesforce shrunk in 2020 and has continued to shrink due to “the reduced attractiveness
18 of the business opportunity as an independent consultant,”⁹⁴ and R+F has been working hard to
19 revamp its platform and Compensation Plan to grow its Consultant Community and reap the benefits

21 ⁸⁹ *Warning Regarding Earnings Claims Related to Coronavirus Disease 2019 (COVID-19)*, *supra*, n.69.

22 ⁹⁰ *Id.*

23 ⁹¹ *Id.*

24 ⁹² *Id.*

25 ⁹³ *Id.*

⁹⁴ *Moody’s downgrades Rodan + Fields’ CFR to Caa3; outlook remains negative*, Moody’s Investor Services Rating Action (April 6, 2022), https://www.moody’s.com/research/Moodys-downgrades-Rodan-Fields-CFR-to-Caa3-outlook-remains-Rating-Action--PR_464782 [https://perma.cc/ZZ8C-CHE6]; *see also* *Moody’s downgrades Rodan + Fields’ CFR to Caa2; outlook negative*, *supra*, n.24 (downgrading credit and issuing negative outlook, citing unattractive business opportunity).

1 of their unpaid labor.⁹⁵ These are the precise individuals that legislatures meant to shield with
2 minimum wage and other workplace protections.

3 198. Most MLMs benefited from greater recruitment of participants during COVID-19⁹⁶
4 because they recruit new Consultants under the guise that they will be able to grow their own business
5 with a sustainable income. These claims, whether or not they are made during times of global financial
6 crisis, siphons potential workers away from legitimate opportunities with the promises of building a
7 personal business, when these individuals are under the control of MLM companies, like R+F, with
8 none of the benefits of proper classification, hurting California families and increasing reliance on
9 public benefits, such as federal and state COVID relief.

10 199. R+F's practices also harm competitors, such as legitimate companies in cosmetics
11 space, who must and do pay wages and benefits at prevailing market rates to market and sell their
12 products. By misclassifying its workers, and paying them only for certain sales, R+F incurs lower
13 expenses, giving them a competitive advantage over other market participants in the cosmetics
14 industry.

15 200. The California Legislature specifically considered harms like these in passing AB-5.
16 The legislature recognized "harm to misclassified workers who lose significant workplace protections,
17 the unfairness to employers who must compete with companies that misclassify, and the loss to the
18 state of needed revenue from companies that use misclassification to avoid obligations such as
19 payment of payroll taxes, payment of premiums for workers' compensation, Social Security,
20 unemployment, and disability insurance" and that "the misclassification of workers as independent
21 contractors has been a significant factor in the erosion of the middle class and the rise in income
22
23

24 ⁹⁵ Vetter, *supra*, n.27; see also *Moody's downgrades Rodan + Fields' CFR to Caa2; outlook negative, supra*, n.24 (noting
25 "R + F is executing on plans to stabilize the consultant base including recent category expansion to haircare").

⁹⁶ *Warning Regarding Earnings Claims Related to Coronavirus Disease 2019 (COVID-19), supra*, n.69.

1 inequality.” R+F’s continued misclassification of California workers will exacerbate all these harms
2 to the California public.

3 201. Absent an injunction protecting the public from the negative impacts of Defendants’
4 illegal activities, including by and through their officers and/or entities in their control, the California
5 public remains at risk from R+F’s deceptive recruitment strategies and the economic and social harms
6 created by their unlawful practices.

7 **E. Plaintiff’s Experiences as an R+F Consultant**

8 202. Plaintiff worked as an R+F Consultant from February 2019 through March 3, 2023.

9 203. Before becoming a Consultant, Plaintiff had been purchasing the Products for several
10 years and was a Preferred Customer of another Consultant. In 2019, Plaintiff was recruited by another
11 Consultant to sign up to join the R+F Independent Consultant Community. With the guidance and
12 encouragement of this Consultant (her “Sponsor,”) she downloaded and filled out the Independent
13 Consultant Application. At that time, Plaintiff had no experience in sales, marketing, business, and
14 had not worked in the cosmetics or skincare industry.

15 204. The application did not ask Plaintiff for her resume or any details about her work
16 experience, qualifications, licensure, skills, or social media handles. The terms and conditions attached
17 to the application stated that to be eligible to become a Consultant, she was required to purchase a
18 Business Enrollment Kit. On the application, she checked a box indicating she met this eligibility
19 requirement, among others. She chose a custom domain prefix for her R+F Personal Website. She
20 signed the application, agreeing to comply with all terms and conditions of the Independent
21 Consultant Agreement, which incorporated the Policies and Procedures, among other documents.
22 She also agreed to pay an annual renewal fee of \$25 to remain active as a Consultant, as required by
23 the P&P.

24 205. Plaintiff had four Business Enrollment Kit options; she selected the “RF Express
25 Business Kit” for \$995 and the domain <https://www.mrsldann.myrandf.com/>.

1 206. Plaintiff paid the fee to complete and submit her application. Her Business Kit
2 included shareable materials and tools for prospecting customers and Consultants as well as product
3 samples. She also gained access to the R+F “Library.”

4 207. After becoming a Consultant, she worked to generate awareness around her new
5 business and to try to sell R+F Products. She purchased R+F Marketing Materials and Business
6 Supplies from R+F directly, as required by the Independent Consultant Agreement, for marketing
7 purposes, as well as for training purposes, i.e., to help her learn about and test the products she was
8 responsible for selling. Excluding home office supplies necessary to run her business, her initial
9 expenses summed to over \$2,500. It took her multiple months to recuperate the funds she invested
10 to become a Consultant and start selling R+F Products.

11 208. After working 3-months as a Consultant, her limited subscription to PULSE Pro,
12 which provided her access to her R+F-controlled Consultant Website, expired. She elected to
13 subscribe to PULSE Pro for \$24.95 per month to maintain it, so that customers could make purchases
14 through her website directly and she could earn commission on those sales. This subscription also
15 entitled her to receive discounts on the R+F Products she needed to purchase in order to effectively
16 and honestly market and sell them, as required by the P&P.

17 209. R+F paid commissions differently, depending on whether a customer held a
18 “Preferred Customer” status. While R+F paid commissions on regular customers for each purchase
19 they made, R+F would only pay commissions on Preferred Customer purchases if the Plaintiff, like
20 all Consultants, either had already obtained a threshold level of sales for a given month (worth
21 approximately \$120-\$125 in retail value), or purchased the equivalent amount of R+F Products for
22 personal use or to attempt to resell to customers.

23 210. Because the only way to start earning commission each month for every sale to a
24 Preferred Customer was to have earned \$100 from products purchased e wholesale purchase of
25 products from R+F, Plaintiff typically purchased the minimum amount of products each month to

1 achieve that threshold, spending approximately \$1500 annually. Plaintiff often featured these
2 Products in her marketing work, but usually was unable to resell any of the products she purchased.

3 211. During her tenure, she relied heavily on the R+F tools and resources available only to
4 Consultants on its platform, designed and provided by R+F. Plaintiff leveraged the R+F platform to
5 assist her in her marketing and sales work, to gain insights on how to best interact with customers,
6 manage and oversee her Downlines, generate leads (including R+F recommendations) on which
7 Preferred Customers or Downlines to target, and to directly engage with and provide service to
8 customers. She also regularly sought guidance from other Consultants and relied on their knowledge
9 and support.

10 212. Although Plaintiff did not provide her social media profiles to R+F when she
11 completed her application, she agreed to adhere to the exhaustive rules and regulations governing her
12 online conduct, sales, and marketing efforts. In May 2019, Plaintiff learned R+F was monitoring her
13 accounts after she received an email from R+F's compliance team demanding she remove certain
14 content in compliance with the P&P to which she was required to adhere.

15 213. Plaintiff was successful in recruiting two Downlines, who in turn each recruited 1-2
16 Downlines. After building her small team, for the remainder of her time as an R+F Consultant,
17 Plaintiff spent approximately a third of her time supporting her Downlines, and the remainder
18 marketing, promoting, and learning about R+F Products—almost all of which was performed online,
19 as well as engaging with customers. Plaintiff very rarely sold Products or recruited in person.

20 **1. Plaintiff Was Required to Adhere to R+F's Policies and Procedures**

21 214. As required for eligibility to become a Consultant, R+F required to meet the
22 requirements set forth in the Independent Consultant Agreement, which included the lengthy P&P
23 document.

24 215. When Plaintiff's Application was accepted by R+F, R+F provided Plaintiff access to
25 its proprietary, password-protected PULSE digital platform. It contained a "Library," that served as

1 a Consultant’s portal for resources, analytics, and tools related to work as Consultants. R+F stored
2 key documents in the Library, such as all documents incorporated in the Consultant Agreement,
3 training tools; marketing instructions and guidance; approved R+F Marketing Materials and Business
4 Supplies; marketing and communications templates, a catalog of products, prices, and corresponding
5 commissions rates, and other important reference materials, including additional rules and regulations
6 governing social media conduct and PWS content requirements, not included in the P&P. R+F
7 required her to understand, abide by, and utilize these materials.

8 216. During Plaintiff’s approximately four years with R+F, R+F frequently released new
9 products, rebranded existing products, launched marketing campaigns, shifted advertising strategies,
10 updated approved Marketing Materials, made changes to the Compensation Plan, released training
11 videos for Consultants, hosted virtual live events, and other initiatives to engage Consultants,
12 encourage them to market and sell, and educate about R+F Products and policies.

13 217. As required by the Consultant Agreement, Plaintiff regularly accessed and reviewed
14 amendments to R+F’s documents and other terms incorporated into the Consultant Agreement to
15 ensure she remained in compliance with all of R+F’s requirements and directives. Accordingly,
16 Plaintiff was frequently assigned to watch training videos, amend their own marketing and sales
17 strategies, and update her custom social media content to incorporate the most recently approved
18 marketing materials. Plaintiff understood that performing these types of tasks were required in order
19 to remain an active Consultant, i.e., in compliance. Because she “Sponsored” other Consultants, who
20 became her Downlines, she was required to expend time engaging with her Downlines to ensure they
21 understood changes to R+F’s Consultant Agreement, too. She also had both in person and video
22 meetings with her team. Over the years, Plaintiff’s commitment to these tasks ranged from twenty-
23 five hours per month to ten hours per month. She also spent additional money purchasing new
24 products so that she could test them and market them authentically and several hours reviewing
25 content R+F content pertaining to those products, as required under R+F’s Code of Business Ethics.

1 218. Plaintiff worked as a Consultant from February 2019 through March 2023, in
2 accordance with the R+F directives previously outlined.

3 **2. Plaintiff Spent Many Hours Performing Marketing, Sales, and**
4 **Customer Service Work in Accordance with R+F's Policies.**

5 219. During Plaintiff's tenure, Plaintiff used her personal social media to promote R+F
6 Products and the Consultant Opportunity, i.e., market and recruit, regularly. This work was involved
7 and time consuming and involved multiple phases. Plaintiff often would spend several hours
8 throughout the week planning posts and sales strategies for the upcoming week, engaging other
9 Consultants, and performing other tasks, elaborated below.

10 220. *First*, to start, Plaintiff needed to spend time planning for and the content that would
11 ultimately be the subject matter of any given post. In accordance with R+F's policies, Plaintiff
12 devoted time to study and select which of the many available R+F Products she would promote.

13 221. R+F heavily encouraged Plaintiff to use R+F Products, i.e., subscribe to the
14 Consultant Replenishment Program, and post content tracking her skincare regimen and her positive
15 results on her social media. Because R+F encouraged Consultant's to publish their own personal
16 experiences with the Products, Plaintiff's planning and preliminary work included using the Products
17 for sufficient time to see results. Plaintiff was required to purchase these Products from R+F to create
18 any personalized content. Plaintiff frequently reviewed the P&P and R+F materials because R+F
19 imposed strict parameters on before and after videos, e.g., requiring specific statements about use
20 and disclaimers, and other product marketing efforts.

21 222. She also reviewed R+F materials that provided strategies and guidance for advertising
22 and selling. She dedicated a lot of time to preparing her marketing posts to share with her network.
23 She was intentional about marketing to both existing and prospective customers and the different
24 strategies required for each market segment. Plaintiff would brainstorm content, draft and edit the
25 text, and take photographs and video recordings for her posts. She regularly consulted R+F Content

1 for inspiration. Because of the time-intensive commitment to develop her own content, she utilized
2 R+F templates and other R+F generated content like hashtags and graphics for the majority of her
3 work, curating them to suit her needs. The amount of time Plaintiff spent varied over the years,
4 ranging from approximately ten hours per month developing content and marketing products to ten
5 hours per week on these tasks.

6 223. At times, Plaintiff used her own content and media, such as taking her own
7 photographs and recordings. When doing so, she devoted time into making sure the images were
8 attractive and that the lighting and background was suitable and consistent with R+F's expectations,
9 and fully in compliance with the regulations governing "Before and After" Photos. Indeed, when she
10 posted on social media about results from her own use of R+F Products, she received more
11 engagement on her posts, which led to more sales. Additionally, she spent several hours each week
12 navigating R+F tools intended to help her evaluate customer engagement and her own sales
13 performance, so she could leverage these metrics to improve upon her marketing tactics.

14 224. **Second**, in addition to spending time marketing the products, Plaintiff marketed the
15 Consultant experience. She created and published content online about the impact the Consultant
16 experience had on her life (but, in accordance with R+F's P&P, refraining from making any "Income
17 and Lifestyle" claims) or her positive skincare results from using the products. Because she was
18 prohibited from making any representation inconsistent with R+F Marketing Materials, she
19 frequently reviewed them and paid close attention to any new R+F regulations to develop content
20 strictly in accordance with R+F policies, e.g., statements she was permitted to make and others she
21 was prohibited from making, as well as disclaimers she was required to make. The amount of time
22 Plaintiff spent marketing her experience and on other recruiting efforts varied over the years, ranging
23 from approximately five hours per week to five hours per month.

24 225. **Third, in addition to creating and publishing marketing content about her**
25 **experience as a Consultant**, Plaintiff strategically targeted people in her personal networks to build

1 out her team of Consultants. R+F heavily encouraged Consultants to build out their teams of
2 Downlines and recommended this strategy. R+F provided training tools for recruiting purposes.
3 Plaintiff spent additional time each month engaging friends and family, separate from her broader
4 online marketing efforts to recruit Consultants.

5 226. *Fourth*, Plaintiff's social media-based marketing work was not limited to crafting and
6 publishing posts, but included ongoing oversight of her social media accounts to reply to public
7 comments as well as engage with existing customers and leads who would send her direct online
8 messages to her social media inboxes. Because it was critical for customer acquisition and retention,
9 she constantly monitored responses to posts, and expediently replied to any direct messages from
10 interested customers. Plaintiff spent ample time to thoughtfully prepare these responses, often a few
11 hours a week engaging in text and email messaging with existing Retail Customers, Preferred
12 Customers, and prospective Consultants.

13 227. *Fifth*, Plaintiff spent time monitoring her personal email for inquiries submitted to
14 her directly through her Personal Website using an R+F-generated form that Plaintiff had not been
15 able to customize or remove from her PWS. Because her R+F-controlled PWS included a standard
16 form that allowed visitors to her website to contact her online directly and select the "I am interested
17 in Becoming a Consultant" and/or "I am interested in Learning more about R+F products"
18 checkboxes, R+F required Plaintiff to use its platform to generate leads for prospective customers
19 and prospective Consultants and to follow up with these individuals. Whenever someone filled out
20 the form, Plaintiff automatically received an R+F-generated e-mail prompting her to reach out.

21 228. Additionally, potential and Preferred Customers would fill out the R+F Solution Tool
22 Quiz on her Consultant Website, and the R+F Platform would generate an email to Plaintiff with
23 results for her to reach out to answer their skincare questions and offer guidance. She was not paid
24 for these consultations.

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1 229. Plaintiff was consistently prompt in responding to these and similar requests submitted
2 through her PWS. If she waited hours or days to respond, she risked losing a potential sale or building
3 her team of Downlines. As a result, to be successful, Plaintiff regularly monitored her social media
4 accounts and messages, so she could respond immediately to interested customers—at any time of
5 day or night. Where Plaintiff could not respond to a customer or Downline lead immediately, Plaintiff
6 would respond as soon as she was able, even if it meant answering the request in an inconvenient
7 location, such as in her car in a parking lot. While the time each day she spent varied, she would check
8 her phone when alerts came in, continuously keeping track of when a customer might need her.
9 Plaintiff rarely, if ever, sold to customers in person, and she conducted her marketing and
10 communications with prospective customers, existing customers, prospective consultants, and her
11 existing Downlines online.

12 230. *Sixth*, Plaintiff received targeted emails from R+F on a monthly basis instructing her
13 to follow up with her Preferred Customers on exclusive offers R+F had sent them directly and
14 separate frequent emails from R+F instructing her to reach to her Downlines to coach them on how
15 to sell specific Products R+F recommended to accrue Achievement Rewards. Plaintiff spent
16 approximately ten hours per month following these directives from R+F. She was not paid for any
17 of her work fielding R+F tasks regardless of whether her follow up efforts resulted in personal sales
18 or sales of her Downlines.

19 **3. Plaintiff Spent Many Hours Using R+F’s Platforms and Tools to Market**
20 **and Sell Products and the Consultant Experience in Accordance with**
21 **Its Directives**

22 231. Plaintiff leveraged R+F’s online Platforms and Tools to satisfying R+F’s expectations
23 of Consultants, in a manner consistent with how R+F markets the Consultant’s role and
24 responsibilities. And Plaintiff spent time directing customers to R+F’s online skincare solution quiz
25 (“R+F Solution Tool”). She leveraged its results to assist customers in purchasing the Products

1 recommended based on the customer's responses through her online through her PWS. In other
2 words, this tool guided some of her marketing and sales efforts. And as described above, she used
3 R+F platforms for email.

4 232. R+F heavily encouraged Plaintiff to market the "PC Perks" subscription, a Customer
5 Loyalty Program; her efforts were concentrated on converting Retail Customers into Preferred
6 Customers who receive bi-monthly auto-replenishment shipments with extra discounts. She
7 leveraged various R+F tools and resources. She was not paid for this work unless she was successful
8 in enrolling customers, in which case she received commissions from their purchases, but not the
9 Preferred Customer acquisition itself.

10 4. Plaintiff Spent Many Additional Hours on Other Responsibilities

11 233. Plaintiff's tasks were not limited only to developing advertising and engaging with
12 customers but also included other necessary work to remain in compliance with their obligations as
13 Consultants and try to generate income after becoming a Consultant.

14 234. When Plaintiff began working as a Consultant, Plaintiff reviewed the training materials
15 on R+F's platform, PULSE by Penny, in particular the contents in the "Library" to learn about R+F
16 and marketing and sales generally. This included several hours of watching training videos and
17 studying the materials published by R+F specific on R+F's brand identity; marketing tactics, e.g., and
18 promotion best practices; how to market the R+F brand and the Products, etc. Plaintiff was not well
19 versed in R+F's expansive product line, so she studied the Products catalog. As part of her
20 onboarding Plaintiff also expended hours consuming content specific to her role as a Consultant
21 published by both R+F and original content created by other Consultants, where she learned R+F's
22 expectations of Consultants, how to perform the day-to-day work, and compensation structure.
23 Additionally, she attended up to two meetings a day with her Sponsoring Consultant, where she was
24 trained on R+F policies, strategies, and tactics. During these first couple of weeks, Plaintiff invested
25

1 approximately 35 hours each week to fully onboard as a Consultant and then recruit two Downline
2 Consultants to join her team.

3 235. The activities and tasks she undertook for recruiting purposes were distinct from her
4 work marketing both the Products and her own experience as a Consultant. Plaintiff personally
5 cultivated each of those relationships to convert customers into Consultants. To recruit other
6 Consultants, she spent many hours reviewing R+F's resources for updates to its policies to ensure
7 she abided by R+F's strict limitations on who she could recruit, statements she was permitted to
8 make on social media and others she was prohibited from making when recruiting, as well as
9 disclaimers she was required to make. To enroll a new Consultant, she was required to explain the
10 financial expectations of Consultants to complete enrollment (Business Start Pack purchase
11 requirement), the PULSE Pro subscription, and Consultant discounts for product subscriptions. She
12 was also required to oversee the application process to ensure prospective Consultants complete it
13 themselves.

14 236. Plaintiff became the "Sponsor" of Consultants she recruited in her Downline. Once
15 she had Downlines, she was required to onboard her Downlines, e.g., to explain R+F's business
16 model, educate them on the Policies and Procedures, and provide resources to start selling. After
17 onboarding, she was required to take on additional responsibilities, e.g., tracking their performance
18 using R+F tools, coaching them to sell specific products as directed by R+F in its email outreach to
19 Plaintiff, and sending weekly communications, and to be available whenever they reached out
20 frequently with questions. Plaintiff was committed to ensuring her Downlines were successful and
21 remained in compliance with R+F's directives, and she received no compensation for this work. She
22 spent over five hours per day training and supporting her Downlines their first week, then was able
23 to reduce this commitment to approximately fifteen hours per month. She never received any
24 compensation associated with satisfying these responsibilities set forth by R+F.

1 237. Plaintiff tried recruiting additional Downlines later during her tenure but did not end
2 up sponsoring any additional Consultants. Plaintiff did not receive any compensation for the
3 countless hours she spent recruiting, and she did not receive compensation when she successfully
4 brought on a new Consultant to her Downline. Her two Downlines each in turn recruited 1–2
5 Downlines. She hosted team meetings.

6 238. Throughout her tenure, she stayed in contact with her Upline to perform her job. For
7 example, for most of her employment, Plaintiff’s Upline Consultant held weekly meetings, which
8 Plaintiff often attended. The meetings lasted about an hour. These were important for her continued
9 learning about the brand, R+F Products, evolving expectations R+F had of Consultants, and changes
10 to the Compensation Plan. She leveraged this content to help educate her own Downlines.

11 239. Because Consultants are responsible for learning about any substantive changes to the
12 Policies and Procedures, i.e., the Consultant Agreement, she was expected to read the weekly Insider
13 Scoop published and distributed to Consultants to stay abreast on compliance matters, Products
14 releases and information, R+F events, and matters that R+F coined “useful to Consultants in
15 conducting their Rodan + Fields activities.” For example, R+F also regularly changed its marketing
16 strategies for Consultants. Whenever R+F changed its marketing strategies, Plaintiff would spend
17 time familiarizing herself and adapting to these new strategies to ensure her posts reflected the
18 changes and learning any corresponding updates to the policies and procedures. R+F frequently
19 released new products that Plaintiff needed to invest time in learning about. Plaintiff attended
20 monthly virtual product launches at the encouragement of R+F for which she was not compensated
21 but had the opportunity to win product giveaways. Although they were not required, Plaintiff found
22 these to be necessary trainings to learn about the new products and be able to effectively market
23 them.

24 240. Plaintiff also watched additional periodic training videos to learn how to use the
25 various tools on the R+F Pro Penny Platform. These types of trainings were necessary not only for

1 onboarding at the start of her tenure, but also when R+F released new technology that Consultants,
2 including Plaintiff, were required to use to perform her work. For example, when R+F changed its
3 Consultant enrollment process, Plaintiff was required to spend time learning both changes to the
4 P&P as well as how to use the new technology intended to streamline the process, since R+F
5 required Consultants to provide prospective Consultants with assistance in completing and
6 submitting their application under the Consultant Agreement. Plaintiff was not compensated for
7 the time spent learning about changes to R+F platforms or technology that she was required to
8 understand to perform her work and adhere to the Policies and Procedures.

9 241. Moreover, the R+F Compensation Plan changed frequently, and Plaintiff spent
10 countless hours trying to understand the nuances of these changes during her tenure, and R+F sent
11 communications to Consultants regarding broader scale changes for her to commit uncompensated
12 time to learn.

13 242. Plaintiff spent time directly engaging with customers virtually, not just for the purposes
14 of selling products, because it was critical for customer retention. For example, she was responsible
15 for providing direct customer service to resolve their concerns and issues in compliance with R+F's
16 Consultant Agreement. She also spent time responding to and engaging with Customers who
17 submitted requests to be contacted through her PWS which were sometimes unrelated to product
18 inquiries likely to generate sales, such as when they provided her feedback about their product
19 experience, asked her questions about discounts generally or the PC Perks program, and more.

20 243. Plaintiff received multiple marketing emails from R+F encouraging her to attend its
21 annual R+F conference. R+F marketed the conference as an opportunity to receive trainings to
22 improve sales metrics, hear inspirational speakers and field leaders present, learn more about what
23 R+F has been working on and receive exclusive opportunities to save on R+F's "next innovation,"
24 available only to attendees, and capitalize on networking opportunities with the Consultant
25

1 Community.⁹⁷ She spent time consulting her Uplines about these opportunities and weighing its costs
2 and benefits for helping her generate sales. Ultimately Plaintiff opted not to attend because of
3 expenses she would incur, none of which were reimbursed by R+F, like flights, meals, lodging,
4 ground transportation, and the admissions ticket to the 3-day conference itself. Nevertheless, the
5 hours she spent contemplating these opportunities were necessary aspects of her regular work
6 evaluating her current performance and honing her strategies for generating sales.

7 **5. Plaintiff Spent Many Hours, Sometimes Without Breaks, and Paid for**
8 **Business Expenses**

9 244. Plaintiff would often work at least four hours without a break or rest period. On weeks
10 when R+F had new product launches and team meetings, Plaintiff spent more than four hours
11 without break or rest period attending trainings and learning about the products. There were also
12 many weeks when she spent over four hours without break or rest conducting marketing and sales
13 activities online and/or engaging with her Downline to satisfy expectations of her as a Sponsor. She
14 was effectively required to perform multiple activities related to product launches to stay in
15 compliance.

16 245. During her tenure, Plaintiff was not compensated for her time doing any of the
17 forementioned activities or fulfilling any of the aforementioned responsibilities, nor paid any
18 overtime.

19 246. Plaintiff was not compensated or reimbursed for out-of-pocket expenses – even
20 expenses R+F’s Compensation Plan incentivized her to make. Factoring in her expenses to become
21 a Consultant and her monthly product purchases to expedite her eligibility to earn commissions on
22 sales to PC immediately at the start of each new month described above, Plaintiff estimates that she
23 spent approximately \$10,500 of her personal funds during the four years she worked for R+F.
24

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⁹⁷ <https://www.rfconvention.com/#> [https://perma.cc/EHF7-62GJ].

1 Plaintiff purchased the PULSE by Penny Pro monthly subscription for \$24.95 monthly to gain access
2 to a Personal Website, expending approximately \$300 per year to maintain her website subscription.
3 She was heavily encouraged to do this by her Sponsor because Consultants are only eligible to earn
4 commissions and Achievement Rewards for online sales on R+F controlled websites, and almost all
5 sales were transacted through one's PWS, rather than the R+F general website. She spent over \$100
6 each month on Products and paid \$25 annually to renew her Consultant Agreement. She also spent
7 personal funds to cover expenses for team meetings. In addition to the \$10,500, Plaintiff's monthly
8 business expenses included her monthly cell phone bill (\$150) and internet access (\$100), and she was
9 not reimbursed any proportion of these expenses.

10 247. Additionally, Plaintiff sometimes purchased monthly samples that R+F and her Upline
11 encouraged her to. Not only did R+F not reimburse her for these business expenses, but these
12 purchases did also not qualify for the monthly sales threshold she was required to meet before she
13 was entitled to earn commissions from her Preferred Customers.

14 248. At times, Plaintiff was successful in her sales and marketing efforts, receiving
15 approximately \$400–\$500 per week in commission, but some months she received \$0. Her best sales
16 week was \$1000. These earnings include a small commission percentage of their Downlines' sales, as
17 provided for in the R+F's Compensation Plan. R+F never provided transparency about the portion
18 of her income was attributable to Downline sales. Notably, her net income was substantially lower
19 when factoring in her expenses, and some months, she made no income from her work, and therefore
20 lost money.

21 249. The commissions were paid via direct deposit. No paystub was provided that identified
22 hours worked, nor were any employment taxes withheld at any time. The paystubs did not identify
23 commission rate. Plaintiff did not receive any breakdown or calculation of monthly pay. For some of
24 Plaintiff's sales, R+F did not pay her commissions because the customer returned the products.

25

1 **CLASS ALLEGATIONS**

2 250. Plaintiff incorporates and realleges the above paragraphs.

3 251. Plaintiff brings this action on her own behalf, as well as on behalf of each and all other
4 persons similarly situated, and thus seeks class certification under California Code of Civil Procedure
5 section 382.

6 252. All claims alleged herein arise under California law for which Plaintiff seeks relief
7 authorized by California law.

8 253. Plaintiff's proposed class consists of and is defined as follows:

9 All current and former Rodan + Fields Consultants who resided in the State of
10 California or who performed marketing or sales activities in California during the
11 applicable statutes of limitations through the date a class is certified.

12 254. Plaintiff also alleges the following subclasses:

13 The Los Angeles County Subclass

14 All current and Former Rodan + Fields Consultants who resided in Los Angeles
15 County or who performed marketing and sales activities in Los Angeles County during
the applicable statutes of limitations through the date a class is certified.

16 The Los Angeles City Subclass

17 All current and Former Rodan + Fields Consultants who resided in the City of Los
Angeles or who performed marketing and sales activities in the City of Los Angeles
during the applicable statutes of limitations through the date a class is certified.

18 The San Francisco Subclass

19 All current and Former Rodan + Fields Consultants who resided in San Francisco or
who performed marketing and sales activities in San Francisco during the applicable
statutes of limitations through the date a class is certified.

20 255. Members of the Class will hereinafter be referred to as "Class Members." Plaintiff
21 reserves the right to redefine the Class and to add subclasses as appropriate based on further
22 investigation, discovery, and specific theories of liability.

23 256. ***Ascertainable and numerous.*** The Class is ascertainable and numerous such that
24 joinder is impractical. The membership of the entire class is unknown to Plaintiff at this time.

1 However, the class will likely consist of thousands of members, the precise number which is within
2 the knowledge of and can be readily ascertained through Rodan + Fields' records.

3 257. ***Community of Interest.*** There is a well-defined community of interest amongst Class
4 Members. A class action is superior to all other available methods for the fair and efficient
5 adjudication of this lawsuit because the Class is both numerous and its membership is geographically
6 widespread across California. A class action will achieve economies of time, effort and expense as
7 compared with separate lawsuits, and will avoid inconsistent outcomes because the same issues can
8 be adjudicated in the same manner and at the same time for the entire class. In addition:

- 9 a. ***Predominating Common Questions.*** There are numerous questions of law and fact
10 common to the Class which predominate over any questions affecting only individual
11 members of the Class. Among the questions of law and fact common to the Class are:
- 12 i. Whether Rodan + Fields misclassified its Consultants as independent
13 contractors when in fact they were Rodan + Fields employees;
 - 14 ii. Whether Rodan + Fields failed to pay Plaintiff and Class Members the legally
15 mandated minimum wage for all hours worked;
 - 16 iii. Whether Rodan + Fields failed to timely pay wages due to Plaintiff and Class
17 Members during their employment;
 - 18 iv. Whether any misclassification by Rodan + Fields was voluntary and knowing;
 - 19 v. Whether Rodan + Fields Consultants' duties fall within the Direct Sales
20 Exemption to AB5;
 - 21 vi. Whether Rodan + Fields controlled the manner and means of the Consultants'
22 work;
 - 23 vii. Whether Rodan + Fields failed to reimburse Consultants' business expenses;
 - 24 viii. Whether Rodan + Fields failed to maintain accurate time records for its
25 Consultants;

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- ix. Whether Rodan + Fields failed to provide complete and accurate wage statements to its Consultants;
- x. Whether Rodan + Fields failed to pay Consultants their wages due at termination; and
- xi. Whether Rodan + Fields should be enjoined from continuing the practices described herein.

b. **Typicality.** Plaintiff's claims are typical of the claims of Class Members because Plaintiff, like all members of the Class, worked as a Consultant for Rodan + Fields in California, was required to adhere to Rodan and Field's policies, and was paid on a commission basis. Furthermore, like all members of the Class, Plaintiff sustained damages from Rodan + Fields's wrongful conduct. Accordingly, Plaintiff has no interests antagonistic to the interests of any other member of the Class.

c. **Adequacy.** Plaintiff will fully and adequately assert and protect the interests of the Class and has retained counsel who are experienced in prosecuting class actions. Plaintiff acknowledges that she has an obligation to make known to the Court any relationship, conflicts or differences with any Class Member. Plaintiff's attorneys, the proposed class counsel, are versed in the rules governing class action discovery, certification, and settlement. Accordingly, Plaintiff is an adequate representative and will fairly and adequately protect the interests of the Class.

1 **FIRST CAUSE OF ACTION**

2 (Recovery of Unpaid Minimum Wages and Liquidated Damages)

3 **Against THE RODAN + FIELDS COMPANY, RODAN + FIELDS LLC, DR. KATIE**
4 **RODAN, DR. KATHY FIELDS, DIMITRI HALOULOS, TIM ENG, LAURA BEITLER,**
5 **DALIA STODDARD, JESSICA RAEFIELD, JANINE WEBER, and DOES 1–100, inclusive**

6 258. Plaintiff realleges and incorporates by reference all preceding allegations as though
7 fully set forth herein.

8 259. At all relevant times, California Labor Code sections 1182.12, 1194, 1197, 1197.1, and
9 1198 have provided that the minimum wage for employees fixed by the Industrial Welfare
10 Commission is the minimum wage to be paid to employees, and the payment of a wage less than the
11 minimum so fixed is unlawful. California law provides employees in California must be paid for all
12 hours worked, up to 40 per week or eight (8) per day, at a regular time rate no less than the mandated
13 minimum wage. Compensable work time is defined by the applicable wage order as “the time during
14 which an employee is subject to the control of an employer, and includes all the time the employee
15 is suffered or permitted to work, whether or not required to do so.” Cal. Code. Regs. tit. 8, section
16 11070(2)(G) (defining “Hours Worked”).

17 260. As alleged herein, during the relevant time, Rodan + Fields maintained and still
18 maintains a policy of requiring employees to work off-the-clock, without compensation. Rodan +
19 Fields only compensates Consultants, including Plaintiff, based on specific sales placed through
20 Plaintiff’s Consultant Site, and does not pay wages for other hours worked. These hours include time
21 spent:

- 22 a. in training and learning about R+F Products;
- 23 b. making and responding to social media posts;
- 24 c. preparing for and participating in team meetings and R+F organized activity;

- 1 d. communicating with other Rodan + Fields Consultants about policies, practices, and sales
- 2 instructions and guidance, and conducting onboarding and training;
- 3 e. communicating with customers after their purchases were made to handle routine
- 4 customer service; and
- 5 f. handling other responsibilities as needed as required in the P&P.

6 Plaintiff and Class Members performed these activities throughout the day, nearly every day, often in
7 short increments adding up to one to two hours a day.

8 261. Rodan + Fields provided no way for Plaintiff and Class Members to log time spent
9 and submit to Rodan + Fields.

10 262. Rodan + Fields's failure to pay Plaintiff and Class Members for work, and failure to
11 pay overtime wages owed, also resulted in failures to pay Plaintiff and Class Members the minimum
12 wage required, in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, 1198. In
13 addition, Rodan + Fields's failure to pay for work and overtime is a violation of various municipal
14 and county codes across the state, including, but not limited to City of L.A. Cal. Code art. 7-7.5;
15 County of Los Angeles Code § 8.100.040, *et seq.*, San Francisco Cal. Code 12R.

16 263. California Labor Code § 558.1 states that any employer or person acting on behalf of
17 an employer who causes a violation is liable, among other things, for minimum wage violations. *See*
18 Cal. Labor Code § 558.1. Defendants THE RODAN + FIELDS COMPANY, RODAN + FIELDS
19 LLC, DR. KATIE RODAN, DR. KATHY FIELDS, DIMITRI HALOULOS, TIM ENG, LAURA
20 BEITLER, DALIA STODDARD, JESSICA RAEFIELD, JANINE WEBER, and DOES 1–100,
21 inclusive, failed to pay Plaintiff and other aggrieved employees the minimum wage and all Defendants
22 are liable for causing this violation under Labor Code § 558.1.

23 264. As such, pursuant to California Labor Code sections 558(a) and 2699(f), Plaintiff and
24 Class Members are entitled to recover civil penalties, attorney's fees and costs pursuant to Labor
25 Code section 2699(g), and interest pursuant to Labor Code section 218.6.

1 **SECOND CAUSE OF ACTION**

2 **(Failure to Provide Meal Periods or Meal Period Premium Wages)**

3 **Against THE RODAN + FIELDS COMPANY, RODAN + FIELDS LLC, DR. KATIE**
4 **RODAN, DR. KATHY FIELDS, DIMITRI HALOULOS, TIM ENG, LAURA BEITLER,**
5 **DALIA STODDARD, JESSICA RAEFIELD, JANINE WEBER, and DOES 1–100, inclusive**

6 265. Plaintiff realleges and incorporates by reference all preceding allegations as though
7 fully set forth herein.

8 266. Under Cal. Lab. Code §§ 226.7, 512(a), 1198, and IWC Wage Order 4-2001, Rodan +
9 Fields was required to provide Plaintiff and Class Members with one thirty-minute meal break free
10 from all duties for all shifts longer than five (5) hours, and a second thirty-minute meal break free
11 from all duties for all shifts longer than 10 hours and a third thirty-minute meal break free from all
12 duties for all shifts longer than 15 hours. Employers covered by the Wage Orders have an obligation
13 to both (1) relieve their employees for at least one meal period for shifts over five hours, and (2) to
14 record having done so. If the employer fails to properly record a valid meal period, it is presumed no
15 meal period was provided. Cal. Lab. Code § 226.7 also requires an employer to pay mandated
16 premiums of an extra hour of wages to any employees who have not been provided with a timely
17 meal or rest break.

18 267. As alleged herein, Plaintiff and the Class regularly worked periods of more than five
19 (5), ten and fifteen hours in a workday without being provided requisite mandatory timely, thirty-
20 minute, duty-free meal periods. Rodan + Fields also failed to pay Plaintiff and the Class an additional
21 hour of wages at her regular rate for each workday a meal period and/or a legally compliant meal
22 period was not provided.

23 268. California Labor Code § 558.1 states that any employer or person acting on behalf of
24 an employer who causes a violation is liable, among other things, for meal period violations. *See Cal.*
25 *Labor Code § 558.1.* Defendants THE RODAN + FIELDS COMPANY, RODAN + FIELDS LLC,

1 DR. KATIE RODAN, DR. KATHY FIELDS, DIMITRI HALOULOS, TIM ENG, LAURA
2 BEITLER, DALIA STODDARD, JESSICA RAEFIELD, JANINE WEBER, and DOES 1–100,
3 inclusive, inclusive, failed to provide Plaintiff and other aggrieved employees all meal periods or
4 compensation in lieu thereof and all Defendants are liable for causing this violation under Labor
5 Code § 558.1.

6 269. As a result, under Labor Code section 226.7, Plaintiff and the Class are entitled to one
7 additional hour’s pay for each day a meal period was missed, late or interrupted, all in an amount
8 according to proof.

9 **THIRD CAUSE OF ACTION**

10 **(Failure to Provide Rest Periods or Rest Break Premium Wages)**

11 **Against THE RODAN + FIELDS COMPANY, RODAN + FIELDS LLC, DR. KATIE**
12 **RODAN, DR. KATHY FIELDS, DIMITRI HALOULOS, TIM ENG, LAURA BEITLER,**
13 **DALIA STODDARD, JESSICA RAEFIELD, JANINE WEBER, and DOES 1–100, inclusive**

14 270. Plaintiff realleges and incorporates by reference all preceding allegations as though
15 fully set forth herein.

16 271. Cal. Lab. Code § 226.7 requires an employer to authorize or permit an employee to
17 take a rest period of ten net minutes for every four hours worked, or major fraction thereof, and such
18 rest periods must be in the middle of the four-hour period insofar as practicable. If the employer fails
19 to provide any required rest periods or fails to provide a fully compliant rest break for a net ten
20 minutes wherein the employee is fully relieved of all duties and all employer control, the employer
21 must pay the employee one hour of pay at the employee’s regular rate of compensation for each
22 workday the employer did not provide a legally required and/or fully compliant rest period.

23 272. Rodan + Fields failed to provide Plaintiff and the Class all required and/or fully
24 compliant rest periods, or compensation in lieu thereof. Rodan + Fields employed policies and
25 procedures that ensured Plaintiff and the Class would not receive all legally required rest periods as

1 Rodan + Fields improperly classified Plaintiff and the Class as independent contractors rather than
2 as employees and did not authorize nor permit all required rest periods in strict accordance with the
3 timing requirements of all applicable Wage Orders. Rodan + Fields similarly employed policies and
4 procedures that rendered rest periods non-compliant with the requirements of California law by, inter
5 alia, failing to relieve Plaintiff and the Class of all duties and all employer control. Rodan + Fields
6 further employed policies and procedures ensuring Plaintiff and the Class never received a rest period
7 premium during employment.

8 273. California Labor Code § 558.1 states that any employer or person acting on behalf of
9 an employer who causes a violation is liable, among other things, for rest period violations. *See* Cal.
10 Labor Code § 558.1. Defendants THE RODAN + FIELDS COMPANY, RODAN + FIELDS LLC,
11 DR. KATIE RODAN, DR. KATHY FIELDS, DIMITRI HALOULOS, TIM ENG, LAURA
12 BEITLER, DALIA STODDARD, JESSICA RAEFIELD, JANINE WEBER, and DOES 1–100,
13 inclusive, failed to provide Plaintiff and the Class all rest periods or compensation in lieu thereof and
14 all Defendants are liable for causing this violation under Labor Code § 558.1.

15 274. As a result, under Labor Code section 226.7, Plaintiff and the Class are entitled to one
16 additional hour's pay for each day a rest break was missed, late or interrupted, all in an amount
17 according to proof.

18 **FOURTH CAUSE OF ACTION**

19 **(Failure to Keep Requisite Payroll Records)**

20 **Against THE RODAN + FIELDS COMPANY, RODAN + FIELDS LLC, and DOES 1–**
21 **100, inclusive**

22 275. Plaintiff realleges and incorporates by reference all preceding allegations as though
23 fully set forth herein.

24 276. Cal. Labor Code § 1174(d) requires an employer to keep, at a central location in the
25 state or at the plants or establishments at which employees are employed, payroll records showing

1 the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and
2 any applicable piece rate paid to, employees employed at the respective plants or establishments.
3 These records shall be kept in accordance with rules established for this purpose by the commission,
4 but in any case, shall be kept on file for not less than two years.

5 277. At all times herein set forth, Cal. Labor Code § 1174.5 has imposed a civil penalty of
6 \$500 per aggrieved employee for each willful failure “to maintain . . . accurate and complete records
7 required by subdivision (d) of Section 1174[.]”

8 278. Rodan + Fields has intentionally and willfully failed to keep accurate and complete
9 payroll records showing the hours worked daily and the wages paid to Plaintiff and the Class. For
10 example, any records kept by Rodan + Fields did not include the hours worked off-the-clock, the
11 premium wages owed, and for missed and non-compliant meal and rest breaks.

12 279. Plaintiff and the Class have been injured by Rodan + Fields’s intentional and willful
13 violation of Cal. Labor Code § 1174(d) because they were denied both their legal right and protected
14 interest, in having available, accurate and complete payroll records pursuant to Cal. Labor Code §
15 1174(d).

16 **FIFTH CAUSE OF ACTION**

17 **(Failure to Provide Accurate Wage Statements)**

18 **Against THE RODAN + FIELDS COMPANY, RODAN + FIELDS LLC, DR. KATIE**
19 **RODAN, DR. KATHY FIELDS, DIMITRI HALOULOS, TIM ENG, LAURA BEITLER,**
20 **DALIA STODDARD, JESSICA RAEFIELD, JANINE WEBER, and DOES 1–100, inclusive**

21 280. Plaintiff realleges and incorporates by reference all preceding allegations as though
22 fully set forth herein.

23 281. At all relevant times herein set forth, Cal. Labor Code § 226(a) provides that, at the
24 time of each payment of wages, the employer must provide each employee with an itemized statement
25 showing gross wages earned, total hours worked, all deductions taken, net wages earned, the inclusive

1 dates for which the employee is being paid, the employee's name and last four digits of their social
2 security number, the name and address of the legal entity that is the employer, and all applicable
3 hourly rates in effect during the pay period and all hours worked at each rate.

4 282. Cal. Labor Code § 1198 provides that the maximum hours of work and the standard
5 conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable
6 IWC Wage Orders. Section 1198 further provides that “[t]he employment of any employees for
7 longer hours than those fixed by the order or under conditions of labor prohibited by the order is
8 unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time
9 records showing when the employee begins and ends each work period and meal period.

10 283. At all times herein set forth, Cal. Labor Code § 226.3 has imposed a civil penalty in
11 addition to any other penalty provided by law of two hundred fifty dollars (\$250) per aggrieved
12 employee for the first violation of Cal. Labor Code § 226(a), and one thousand dollars (\$1,000) per
13 aggrieved employee for each subsequent violation.

14 284. As alleged herein, Rodan + Fields knowingly and willfully failed to provide Plaintiff
15 and the Class with proper, itemized wage statements. Wage statements provided to Plaintiff and the
16 Class did not show total/actual hours worked and all applicable hourly rates in effect during the pay
17 period and all hours worked at each rate. The wage statements provided to Plaintiff and the Class
18 failed to reflect all time spent in training, making and responding to social media posts, preparing for
19 and participating in team meetings and R+F organized activity, and communicating with other Rodan
20 + Fields Consultants about policies, practices, and sales instructions and guidance. Rodan + Fields's
21 refusal to properly record this time, and to include it in its itemized wage statements, or to properly
22 pay its employees for this time was willful and intentional. As a result of these violations, Plaintiff
23 and the Class suffered injury because they were not paid for all hours worked.

24 285. California Labor Code § 558.1 states that any employer or person acting on behalf of
25 an employer who causes a violation is liable, among other things, for wage statement violations. *See*

1 Cal. Labor Code § 558.1. Defendants THE RODAN + FIELDS COMPANY, RODAN + FIELDS
2 LLC, DR. KATIE RODAN, DR. KATHY FIELDS, DIMITRI HALOULOS, TIM ENG, LAURA
3 BEITLER, DALIA STODDARD, JESSICA RAEFIELD, JANINE WEBER, and DOES 1–100,
4 inclusive, failed to provide Plaintiff and the Class accurate wage statements and all Defendants are
5 liable for causing this violation under Labor Code § 558.1.

6 286. Pursuant to Cal. Lab. Code § 226(e), Plaintiff and the Class are entitled to a penalty in
7 the amount of fifty dollars (\$50) for the initial pay period in which a violation occurred, and a penalty
8 of one-hundred dollars (\$100) for each violation in a subsequent pay period, up to an aggregate
9 penalty of four-thousand dollars (\$4,000), as well as costs of suit and attorneys' fees, all in an amount
10 according to proof.

11 **SIXTH CAUSE OF ACTION**

12 **(Failure to Timely Pay Wages During Employment)**

13 **Against THE RODAN + FIELDS COMPANY, RODAN + FIELDS LLC, and DOES 1–**
14 **100, inclusive**

15 287. Plaintiff realleges and incorporates by reference all preceding allegations as though
16 fully set forth herein.

17 288. At all relevant times herein set forth, Cal. Labor Code § 204 provides that all wages
18 earned by any person in any employment between the 1st and 15th days, inclusive, of any calendar
19 month, other than those wages due upon termination of an employee, are due and payable between
20 the 16th and the 26th day of the month during which the labor was performed.

21 289. At all times herein set forth, Cal. Labor Code § 204 provides that all wages earned by
22 any person in any employment between the 16th and the last day, inclusive, of any calendar month,
23 other than those wages due upon termination of an employee, are due and payable between the 1st
24 and the 10th day of the following month.

1 290. At all times herein set forth, Cal. Labor Code § 204 provides that all wages earned for
2 labor in excess of the normal work period shall be paid no later than the payday for the next regular
3 payroll period.

4 291. As alleged herein, during the relevant time period, Rodan + Fields intentionally and
5 willfully failed to pay Plaintiff and the Class all wages due to them, within any time period permissible
6 under Cal. Labor Code § 204, including wages for minimum wage compensation, overtime
7 compensation, meal period premiums, and rest period premiums.

8 **SEVENTH CAUSE OF ACTION**

9 **(Failure to Pay All Earned and Unpaid Wages Upon Separation of Employment)**

10 **Against THE RODAN + FIELDS COMPANY, RODAN + FIELDS LLC, DR. KATIE**
11 **RODAN, DR. KATHY FIELDS, DIMITRI HALOULOS, TIM ENG, LAURA BEITLER,**
12 **DALIA STODDARD, JESSICA RAEFIELD, JANINE WEBER, and DOES 1–100, inclusive**

13 292. Plaintiff realleges and incorporates by reference all preceding allegations as though
14 fully set forth herein.

15 293. At all times relevant herein set forth, Labor Code sections 201 and 202 provide that if
16 an employer discharges an employee, the wages earned and unpaid at the time of discharge are due
17 and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her
18 wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the
19 employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which
20 case the employee is entitled to his or her wages at the time of quitting.

21 294. Cal. Lab. Code § 203 provides that, at the time of termination of employment, the
22 employer must pay an employee all wages due and owing within the time frames set forth in Cal. Lab.
23 Code §§ 201, *et seq.* If an employer willfully refuses to pay, without abatement or reduction, in
24 accordance with Cal. Lab. Code §§ 201 and 202, any wages of an employee who is discharged or who

1 quits, the employee's wages shall continue as a penalty for up to thirty (30) days from the due date,
2 until paid or until an action to recover those wages is commenced.

3 295. As alleged herein, following his final day of employment, Rodan + Fields willfully
4 failed to pay Plaintiff and the Class all wages due and owing within the deadlines set forth in Cal. Lab.
5 Code §§ 201, *et seq.*, including unpaid overtime wages and wages for missed/noncompliant meal and
6 rest periods.

7 296. California Labor Code § 558.1 states that any employer or person acting on behalf of
8 an employer who causes a violation is liable, among other things, for failure to pay all wages at the
9 time of termination. *See* Cal. Labor Code § 558.1. Defendants THE RODAN + FIELDS
10 COMPANY, RODAN + FIELDS LLC, DR. KATIE RODAN, DR. KATHY FIELDS, DIMITRI
11 HALOULOS, TIM ENG, LAURA BEITLER, DALIA STODDARD, JESSICA RAEFIELD,
12 JANINE WEBER, and DOES 1–100, inclusive, inclusive, failed to pay all wages at the time of
13 termination of Plaintiff and Class Members and all Defendants are liable for causing this violation
14 under Labor Code § 558.1.

15 297. Pursuant to Cal. Lab. Code § 203, Plaintiff and the Class are entitled to recover waiting
16 time penalties of up to thirty (30) days' pay, plus attorneys' fees and costs, in an amount according to
17 proof.

18 **EIGHTH CAUSE OF ACTION**

19 **(Failure to Reimburse Business Expenses)**

20 **Against THE RODAN + FIELDS COMPANY, RODAN + FIELDS LLC, DR. KATIE**
21 **RODAN, DR. KATHY FIELDS, DIMITRI HALOULOS, TIM ENG, LAURA BEITLER,**
22 **DALIA STODDARD, JESSICA RAEFIELD, JANINE WEBER, and DOES 1–100, inclusive**

23 298. Plaintiff realleges and incorporates by reference all preceding allegations as though
24 fully set forth herein.

25

1 299. At all times herein set forth, Cal. Lab. Code § 2802 has provided and provides that an
2 employer must reimburse employees for all necessary expenditures and losses incurred by the
3 employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent
4 employers from passing off their cost of doing business and operating expenses on to their
5 employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable
6 wage order, IWC Wage Order 4-2001, ¶9(B) provides that: "When tools or equipment are required
7 by the employer or are necessary to the performance of a job, such tools and equipment shall be
8 provided and maintained by the employer, except that an employee whose wages are at least two (2)
9 times the minimum wage provided herein may be required to provide and maintain hand tools and
10 equipment customarily required by the trade or craft." Rodan + Fields's conduct, in misclassifying
11 Consultants as independent contractors and failing to reimburse them for expenses they paid that
12 should have been borne by their employer, constitutes a violation of California Labor Code Sections
13 450 and 2802.

14 300. Rodan + Fields violates Labor Code section 2802 by having failed, and failing, to
15 reimburse Plaintiff and the Class for their business-related expenses. Rodan + Fields charged Plaintiff
16 and the Class a "Business Service Fee" of \$15.95/month, and \$1 per each commission payment made,
17 which Rodan + Fields did not reimburse. And during the relevant period, Rodan + Fields, required
18 that Plaintiff and the Class use their own personal cellular phones and/or cellular phone data to carry
19 out Rodan + Fields's business operations, but failed to reimburse them for the full costs of their
20 work-related cellular phone expenses. For example, Plaintiff and the Class were required to use a
21 personal cellular phone to make social media posts, participate in team meetings and R+F organized
22 activity, and communicate with customers and their Upline. Plaintiff and the Class also incurred
23 expenses associated with maintaining a home internet connection. Rodan + Fields did not reimburse
24 Consultant for these expenses.

25

1 the Unfair Competition Law, Business and Professions Code § 17200 *et seq.*, in that such business
2 acts and practices are unlawful and unfair within the meaning of that statute.

3 **Violation of the Unlawful Prong of the UCL**

4 306. Rodan + Fields has violated section 17200's prohibition on unlawful conduct through
5 the following violations:

- 6 a. Failing to pay minimum wages, as set forth in Paragraphs 258-64;
- 7 b. Failing to provide meal periods and/or pay associated premium wages, as set forth in
8 Paragraphs 265-69;
- 9 c. Denying rest periods and/or failing to pay rest break premium wages, as set forth in
10 Paragraphs 270-74;
- 11 d. Failing to keep requisite payroll records, as set forth in Paragraphs 275-79;
- 12 e. Failing to provide accurate wage statements, as set forth in Paragraphs 280-86;
- 13 f. Failing to timely pay wages during employment, as set forth in Paragraphs 287-91;
- 14 g. Failing to pay all earned and unpaid wages upon separation of employment, as set forth
15 in Paragraphs 292-97;
- 16 h. Failing to reimburse business expenses, as set forth in Paragraphs 44, 298-303;
- 17 i. Willfully misclassifying Consultants as independent contractors, in violation of Labor
18 Code Section 226.8 and 2775, as set forth in Paragraphs 173-82.

19 307. Over the last four years, Rodan + Fields has also violated California's laws relating to
20 the recovery of unpaid overtime. Specifically, Cal. Lab. Code § 510 provides employees in California
21 must be paid overtime, equal to 1.5 times the employee's regular rate of pay, for all hours worked in
22 excess of 40 per week or eight (8) per day and must be paid double wages for all hours worked in
23 excess of 12 per day, unless they are exempt. California law also provides that any work in excess of
24 eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice
25 the regular rate of pay of an employee. As alleged herein, during Plaintiff's tenure, Plaintiff worked

1 more than eight (8) hours per day but was not paid all overtime wages, including but not limited to,
2 “double time” wages, due and owing under California law.

3 308. The forgoing unlawful conduct of Rodan + Fields alleged herein constitutes unfair
4 competition within the meaning of California Business and Professions Code section 17200 *et seq.*

5 **Violation of the Unfair Prong of the UCL**

6 309. Rodan + Fields has violated section 17200’s prohibition on unfair conduct by engaging
7 in each of the forgoing unlawful acts.

8 310. Furthermore, as set forth in Paragraphs 56-59, 93, 167, 191-92, Rodan + Fields has
9 violated section 17200’s prohibition on unfair conduct by unfairly and unconscionably structuring its
10 Agreement and business activities in a way that does not create meaningful opportunities for
11 Consultants earn a fair wage and/or commission for their work. Rodan + Fields used its superior
12 bargaining power, superior market power, and take-it-or-leave-it Agreement to prevent Consultants
13 from exercising discretion and accessing tools and resources needed to market the Products
14 effectively and competitively to generate profits. And Rodan + Fields further undermined
15 Consultants’ ability to earn compensation by engaging in activities in competition with the
16 Consultants, by for example, maintaining the exclusive right to disseminate online advertising to any
17 customer sales leads generated by the Consultants and selling Products via Amazon.com. By denying
18 Consultants meaningful opportunities to earn fair commission, Rodan + Fields also unfairly
19 incentivized Consultants to divert time and attention away from marketing the sale of products to
20 retail customers to marketing the opportunity to become a Consultant to unsuspecting members of
21 the California public. So long as Defendants continue these unfair practices, the California public
22 remains at risk for being recruited into Rodan + Fields and similarly harmed.

23 311. Rodan + Fields’s unfair acts were in contravention of public policy. California public
24 policy encourages the proper classification of workers to ensure that workers are fairly compensated
25

1 and provided the full benefits and protections of employment, competitors are operating in a fair and
2 honest marketplace, and the state is not deprived of tax revenue.

3 312. Rodan + Fields's unfair acts were immoral, unethical, oppressive, unscrupulous, and
4 substantially injurious to the Class and general public. Rodan + Fields knowingly and willfully
5 classified the Consultants as independent contractors. And it knowingly and willfully structured an
6 unfair and unconscionable Agreement that did not provide for meaningful opportunities to earn
7 compensation, while engaging in business activities that would further frustrate Consultants' efforts
8 to earn compensation.

9 313. The impact on the Class and general public is not outweighed by any countervailing
10 benefits. To the extent any benefits inured to Plaintiff, the Class, and the general public, those benefits
11 are outweighed by the impact of Defendants' unfair acts. Consultants, including Plaintiff, incurred
12 substantial costs in working as Consultants, and were not paid appropriately and fairly for their time
13 and efforts. They could have chosen other opportunities or invested that time and money into other
14 legitimate and fairly paying endeavors.

15 314. As a result of Rodan + Fields's unfair competition as alleged herein, Plaintiff and the
16 Class have suffered injury in fact and lost money or property, as described in more detail above.
17 Pursuant to California Business and Professions Code section 17200, *et seq.*, Plaintiff and the Class
18 are entitled to restitution of all wages and other monies rightfully belonging to them that Rodan +
19 Fields failed to pay and wrongfully retained by means of its unlawful and unfair business practices,
20 and and/or all other equitable remedies that may be available.

21 315. To prevent Rodan + Fields from continuing to prey on the California public through
22 their misclassification of their Consultants, and recruitment of new Consultants under these false
23 pretenses, Plaintiff and the Class also seek a public injunction against Defendants enjoining Rodan +
24 Fields, and any and all persons acting in concert with them, from engaging in each of the California
25 Labor Code violations set forth herein and from recruiting new Consultants or authorizing others to

1 recruit new Consultants, under a misclassified status, including making representations about that
2 status and the commission-based compensation structure.

3 **PRAYER FOR RELIEF**

4 WHEREFORE Plaintiff and the Class pray for judgment and relief as follows:

- 5 (1) An order certifying that this action may be maintained as a class action, that Plaintiff
6 be appointed Class Representative, and that Plaintiff's counsel be appointed Class
7 Counsel;
- 8 (2) Statutory penalties and compensatory damages as authorized under the California
9 Labor Code;
- 10 (3) Restitution and all other equitable remedies pursuant to California's Unfair
11 Competition Law;
- 12 (4) Public Injunctive relief, pursuant to California's Unfair Competition Law, prohibiting
13 Rodan + Fields, its officers, agents, employees, and attorneys, and all other persons in
14 active concert or participation with any of them, whether acting directly or indirectly,
15 in connection with the management, hiring, or coordination of Consultants, or the
16 advertising, promotion, or recruitment of new Consultants, from:
- 17 a. Engaging in the California Labor Code violations as alleged herein, including
18 classifying Consultants as non-employees or independent contractors;
- 19 b. Recruiting new Consultants or authorizing others to recruit new Consultants,
20 under a misclassified status, including making representations about that status
21 and the commission-based compensation structure.
- 22 (5) Punitive damages against the individual officer, director or managing agent
23 Defendants pursuant to Cal. Civil Code § 3294;
- 24 (6) Reasonable attorneys' fees pursuant to the California Labor Code, including section
25 226(e), and Code of Civil Procedure section 1021.5;

- 1 (7) Pre- and post-judgment interest pursuant to Labor Code section 218.6; and
2 (8) Such other and further relief as the Court may deem just and proper.

3 **DEMAND FOR TRIAL BY JURY**

4 Plaintiffs and the Class hereby demand trial by jury on all issues in this complaint that are so
5 triable as a matter of right.

6
7 Date: March 1, 2024

/s/ Kristen G. Simplicio

8 Kristen G. Simplicio (State Bar No. 263291)
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Attorneys for Plaintiffs and the Putative Class

EXHIBIT A

Independent Consultant Application – USA

(Continued)

This Consultant Application (“Application”) signed by the Applicant (“You”) is subject to acceptance by Rodan & Fields, LLC (“R+F”). You agree that R+F’s acceptance of this R+F application is subject to your compliance with all of the provisions of the Consultant Agreement which consists of the terms and conditions below, including the Consultant Policies and Procedures as may be amended by R+F from time to time (the “P&P”). By signing and submitting this Application to R+F, you certify that you have reviewed and agree to the P&P in its entirety, including, without limitation, the Dispute Resolution Agreement set forth in Section 18i of the P&P, and agree to check frequently for any amendments to it, which R+F will make available on the R+F Website and/or the Library. If you refuse or are unable to comply with any provision of the Consultant Agreement, you must voluntarily terminate your Consultant Agreement. If you terminate your Consultant Agreement within 12 months of activation, pursuant to the terms of the P&P, R+F will repurchase your Business Starter Pack at 100% of its original cost (not including shipping charges, if any). You understand that the only purchase required to become a Consultant is the purchase of the Business Starter Pack for \$75. There are no other purchases necessary and no inventory requirements to become a Consultant.

1. Our Agreement.

You understand that this Application is subject to acceptance by Rodan & Fields, LLC (“R+F”). Upon acceptance, this Application, together with the P&P, which includes the Compensation Plan, and, if applicable, the Business Entity Registration Form, which are incorporated into this Consultant Agreement by reference, shall constitute the entire agreement (the “Consultant Agreement”) between R+F and the individual or Business Entity identified on the Application and/or Business Entity Registration Form, as applicable (the “Consultant”). The Consultant Agreement sets forth the rights and obligations of Consultant and R+F and contains important information about the promotion of R+F Products. Any capitalized term not otherwise defined herein has the meaning ascribed to it in the P&P. By signing and submitting this Application, Consultant represents and warrants that (i) they have read, understands, and agrees to abide by all terms of the Consultant Agreement, including without limitation the Dispute Resolution Agreement set forth in Section 18i of the P&P; (ii) that the information provided in the Consultant Application is accurate and complete; and (iii) that Consultant may perform their obligations without breach of any other agreement. The Consultant Agreement supercedes and replaces any and all prior representations, warranties, negotiations, and agreements between R+F and Consultant. As set forth in Section 2 of the P&P, R+F may at any time revise the Consultant Agreement in its sole discretion, which shall be exercised reasonably and in good faith. Notice of any substantive changes will be provided to all Consultants by email and/or in The Insider Scoop weekly newsletter and/or posted in the Library. Except as provided in Section 18i of the P&P regarding amendments to the Dispute Resolution Agreement, any changes or additions to the Consultant Agreement will become effective 30 days after notice is provided, at which time the final amended P&P will be posted on [the R+F Website](#) and in the Library. Consultants must check the R+F Website, and/or the Library frequently for revisions or amendments to the Consultant Agreement.

2. Consultant Eligibility Requirements.

Any person seeking to become a U.S. Consultant must (i) be 18 years of age or older on the date they submit an Application; (ii) be authorized to run a business and have an address in the United States, the District of Columbia, Puerto Rico, or Guam; (iii) have a valid Social Security Number; (iv) not be in jail or prison or otherwise confined to a correctional institution; (v) not have ever been convicted or plead no contest to a felony within the past 7 years; (vi) not be a current employee, officer, or director of Guthy-Renker LLC, Nestlé Skin Health S.A. and/or their affiliates, or the spouse or registered domestic partner of any of the foregoing; (vii) not be a current employee, officer, or director of R+F, or the spouse or registered domestic partner of any of the foregoing; (viii) complete and submit an Application that is accepted by R+F; (ix) purchase a Business Starter Pack; and (x) have a valid email address and valid credit card. Consultant agrees that R+F may share their name, telephone number and email address with Consultant’s

Upline organization (those Consultants who directly or indirectly sponsored said Consultant, an “Upline”). No credit card number shall be shared with a Consultant’s Upline without separate express consent by Consultant to allow such personal information sharing. By providing their email address and telephone number, the Consultant agrees to disclose their email address and telephone number to R+F as well as to their Upline.

3. Purpose; Independent Contractor.

Consultant agrees that they are a self-employed, non-exclusive independent contractor who is authorized to market and sell R+F Products in the United States, the District of Columbia, Puerto Rico or Guam. Consultant is not, and shall not represent themselves or itself to be an employee, agent, or representative of R+F, or a purchaser of a franchise or a business opportunity. The Consultant Agreement does not create an employee/employer relationship, agency, partnership, or joint venture between R+F and Consultant. **CONSULTANT SHALL NOT BE TREATED AS AN EMPLOYEE OF R+F FOR ANY PURPOSE, INCLUDING WITHOUT LIMITATION, FOR FEDERAL, STATE OR LOCAL TAX PURPOSES.** Consultant is solely responsible for all decisions made and all costs incurred with respect to their business and assumes all entrepreneurial and business risk. R+F makes no guarantee that there is a market for the R+F Products or that a Consultant will earn or will not lose money. Consultant’s primary focus must always be the promotion of R+F Products for consumer use. R+F discourages Consultants from focusing their efforts primarily on sponsoring others as Consultants. Consultant is not entitled to any benefits that R+F may make available to its employees. Consultant is solely responsible for payment and reporting of all income or other applicable taxes required to be made or filed with any tax authority with respect to their activities. R+F will report amounts paid to Consultant to the IRS as required by law. R+F will not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, or obtain worker’s compensation insurance on Consultant’s behalf.

4. RF Payday

R+F has established RF Payday, an online virtual payment “wallet” for the payment of all commissions and bonuses. All R+F Consultants are automatically enrolled in this payment program which is operated by an independent third party payment processor. A complete description of this payment program can be found in the Library. Consultant authorizes R+F, or an independent payment processor acting on its behalf, to establish an RF Payday account on their behalf, or in the case of a Consultant enrolled as a business entity on behalf of the business entity, and to deposit monies owed to Consultant into the account. Should any funds be deposited erroneously into Consultant’s RF Payday account, Consultant authorizes R+F to direct its payment processor to debit or credit Consultant’s account as necessary to correct any errors.

5. Consultant Commitments.

In addition to the Consultant obligations set forth in the P&P, Consultant agrees to: (a) conduct their R+F business activities in a professional manner that reflects favorably at all times on R+F and the R+F Products; (b) avoid deceptive, misleading, and/or unethical practices; (c) make no representations, warranties, or other statements about the R+F products or business that are different from or in addition to those in the Consultant Agreement and R+F Marketing Materials; (d) make no attempt to bind R+F to any agreement, or pursue, waive, or compromise rights of R+F; (e) periodically review the R+F Website and the Library for amendments to the Consultant Agreement; and (f) otherwise comply at all times with all applicable laws, regulations and rules in addition to all terms of the Consultant Agreement. In addition, Consultant authorizes R+F to use Consultant’s name, photograph or personal story, as well as any photos, videos or other testimonial or endorsement material submitted by Consultant to the Company, in R+F promotional materials and waives any claims for remuneration for such use by R+F.

6. Business Starter Pack; R+F Marketing Materials.

To assist Consultant in marketing R+F Products, Consultant is required to purchase a Business Starter Pack. This purchase is refundable if the Business Starter Pack is returned within 12 months of activation (the 12 month requirement is not applicable to residents of Maryland, Wyoming,

Independent Consultant Application – USA

(Continued)

TERMS AND CONDITIONS

Massachusetts, and Puerto Rico). Consultant may not use any Marketing Materials or sales aides other than the R+F Marketing Materials (including those in the Business Starter Pack) in connection with the sale or marketing of R+F Products and/or the R+F business opportunity, except as otherwise provided by the P&P. R+F may, in its sole discretion, change or discontinue any R+F Marketing Materials at any time. While R+F may refer a Consultant to third parties who offer products and services that may be helpful in the building of a business, the Consultant is under no obligation to purchase such products or services.

7. Product Ordering and Sales; No Inventory Requirements.

There are no minimum product purchase or inventory requirements. Consultant and their Customers may purchase R+F Products through the R+F Website or through Consultants' Personal Websites (PWS), if applicable. R+F reserves the right to accept or decline any order for R+F Products, and may cancel or delay shipment of R+F Products for any reason, including without limitation if Consultant fails to make any required payment or otherwise fails to comply with the Consultant Agreement. Please refer to the P&P for details regarding ordering, shipments, and returns. Consultant may purchase R+F Products for resale to Customers in accordance with the P&P. Please refer to the P&P for terms regarding purchases for resale and information about sales tax. R+F reserves the right to communicate and do business with any Customers acquired through Consultant's efforts without restriction of any kind.

8. Customer Refunds and Returns.

Customer refunds and returns of R+F Products may be accomplished either directly through R+F or through a Consultant, as described more fully in the P&P. Consultant acknowledges that R+F offers all Customers a "Customer Satisfaction Guarantee," which includes the right to return R+F Products within 60 days of purchase for a full refund. Complete Business Starter Packs are returnable for a refund of 100% of the purchase price after 60 days and up to one year from the date of purchase if the items are resalable. Note: The one-year requirement does not apply to residents of Maryland, Wyoming, Massachusetts and Puerto Rico. Consultant authorizes R+F to deduct from any payments due to them the difference between the price paid by Consultant for any R+F Products and any refunds actually paid by R+F to Customers or credit card chargebacks processed, consistent with this policy. See the P&P for the definition of "resalable" and further details regarding product returns, refunds and chargebacks.

9. Presenting the R+F Program.

Except as otherwise provided in the P&P, Consultant agrees to use only R+F Marketing Materials when presenting R+F Products and the R+F business opportunity to become a Consultant to others and to always present the Program accurately and in its entirety. Consultant agrees to inform any potential Consultants that product sales to Customers are a requirement to receiving commissions and bonuses and to instruct potential Consultants to carefully review the Consultant Agreement, including the most recent version of the P&P. Consultant may not make any representations or claims regarding actual or potential income or earnings. For further details, refer to the P&P. If Consultant is a Business Entity, Consultant agrees that only Beneficial Owners of Consultant named in the Business Entity Registration Form will conduct sales and sponsorship activities, and that these activities shall not be conducted by any other person (including employees or contractors of the Consultant).

10. R+F Content and Confidential Information.

R+F is and shall be the sole and exclusive owner of all right, title, and interest in and to the R+F Trademarks and other R+F Content (as defined in the P&P) and all intellectual property and proprietary rights therein, subject only to the specific licenses granted to Consultant in the Consultant Agreement, and R+F expressly reserves all such rights. Except as expressly set forth in the Consultant Agreement, Consultant shall not acquire or claim any rights in any R+F Trademarks or R+F Content. Consultant shall not use or disclose any Confidential Information (as defined in the P&P) of R+F except as expressly permitted by the Consultant Agreement.

11. Warranty; Disclaimer.

R+F warrants that the R+F Products as and when delivered by R+F shall be free from material defects. The sole obligation of R+F, and Consultant's sole and exclusive remedy, for breach of this warranty shall be to return any defective R+F Product and receive a replacement or credit as described in the P&P.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, R+F DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE R+F PRODUCTS, THE PROGRAM, R+F MARKETING MATERIALS, R+F BUSINESS SUPPLIES AND ANY OTHER SUBJECT MATTER OF THE CONSULTING AGREEMENT, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NONINFRINGEMENT, ACCURACY OR COMPLETENESS OF CONTENT, RESULTS, LACK OF NEGLIGENCE OR LACK OF WORKMANLIKE EFFORT, AND CORRESPONDENCE TO DESCRIPTION.

12. Dispute Resolution, Arbitration, Class Action Waiver.

PLEASE READ CAREFULLY: THE DISPUTE RESOLUTION PROVISION IN THIS SECTION 12 AND AS DESCRIBED IN FURTHER DETAIL IN SECTION 18i OF THE P&P (COLLECTIVELY THE "DISPUTE RESOLUTION AGREEMENT") AFFECTS HOW CLAIMS YOU MAY HAVE AGAINST RODAN + FIELDS, OR CLAIMS RODAN + FIELDS MAY HAVE AGAINST YOU, WILL BE RESOLVED. BY SIGNING AND SUBMITTING THIS APPLICATION, YOU AGREE TO BE BOUND BY THIS DISPUTE RESOLUTION AGREEMENT.

You understand and agree that the Dispute Resolution Agreement operates as a separate and distinct agreement that is severable from the remainder of the Consultant Agreement and is enforceable regardless of the enforceability of any other provision of the Consultant Agreement or the Consultant Agreement as a whole. You further understand and agree that the unenforceability of the Consultant Agreement in whole or in part shall not support a finding that the Dispute Resolution Agreement in this Section 12 is unenforceable. The Dispute Resolution Agreement is accepted by and binding on R+F without need for its signature. Consideration for the Dispute Resolution Agreement includes, without limitation, the parties' mutual agreement to arbitrate claims and R+F's agreement to consider the Application. The Dispute Resolution Agreement exists and is binding regardless of whether You and R+F enter into a Consultant Agreement or whether at some future point a Consultant Agreement is canceled or terminated.

ANY CONTROVERSY, CLAIM OR DISPUTE OF WHATEVER NATURE BETWEEN R+F AND/OR ITS RELATED PARTIES, AS DEFINED BELOW, ON THE ONE HAND, AND YOU AND/OR THE BENEFICIAL OWNERS OF A CONSULTANT THAT IS A BUSINESS ENTITY, ON THE OTHER HAND, INCLUDING BUT NOT LIMITED TO THOSE ARISING UNDER OR RELATING TO THE CONSULTANT AGREEMENT OR RELATED TO THE SALE, PURCHASE OR USE OF R+F PRODUCTS (WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE) ("DISPUTE") THAT CANNOT BE RESOLVED THROUGH NEGOTIATION OR MEDIATION AS SET FORTH IN THE P&P SHALL BE SETTLED EXCLUSIVELY BY CONFIDENTIAL, FINAL, BINDING ARBITRATION BEFORE A SINGLE ARBITRATOR, OR, FOR DISPUTES IN EXCESS OF \$2 MILLION, A PANEL OF THREE ARBITRATORS, IN SAN FRANCISCO, CALIFORNIA IN ACCORDANCE WITH THE THEN PREVAILING COMPREHENSIVE ARBITRATION RULES OF JAMS AND AS FURTHER DESCRIBED IN THE P&P.

Copies of the P&P dispute resolution provision and of the JAMS Comprehensive Arbitration Rules are available for review upon request.

THE NEGOTIATION, MEDIATION, OR ARBITRATION OF ANY DISPUTE SHALL BE LIMITED TO INDIVIDUAL RELIEF ONLY AND SHALL NOT INCLUDE CLASS, COLLECTIVE, OR REPRESENTATIVE RELIEF. IN ANY ARBITRATION OF A DISPUTE, THE ARBITRATOR OR ARBITRATION PANEL SHALL ONLY HAVE THE POWER TO AWARD INDIVIDUAL RELIEF AND SHALL NOT HAVE THE POWER TO AWARD ANY CLASS, COLLECTIVE, OR REPRESENTATIVE RELIEF. YOU AND R+F UNDERSTAND AND AGREE THAT EACH IS WAIVING THE RIGHT TO A TRIAL BY JURY OR TO PARTICIPATE IN A CLASS, COLLECTIVE, OR OTHER REPRESENTATIVE ACTION. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, ANY PARTY MAY BRING CLAIMS PURSUANT TO CALIFORNIA'S PRIVATE ATTORNEYS GENERAL ACT

Independent Consultant Application – USA

(Continued)

(“PAGA”), PROVIDED, HOWEVER, THAT TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY PAGA CLAIMS SHALL BE EXCLUSIVELY ARBITRATED IN ACCORDANCE WITH THIS SECTION 18I, AND THE ARBITRATOR OR ARBITRAL PANEL SHALL HAVE AUTHORITY TO AWARD ANY AND ALL RELIEF AVAILABLE UNDER PAGA.

Notwithstanding the foregoing, venue and jurisdiction for any claims or disputes arising under or relating to the Consultant Agreement brought by residents of Louisiana shall be established pursuant to Louisiana law.

Although the Consultant Agreement is made and entered into between Consultant and R+F, R+F affiliates, owners, members, managers, and employees (“Related Parties”) are intended third party beneficiaries of the Consultant Agreement for purposes of the provisions of this Consultant Agreement referring specifically to them, including this Dispute Resolution Agreement. The parties acknowledge that nothing contained herein is intended to create any involvement by, responsibility of, or liability for, the Related Parties with respect to any dealings between Consultant and R+F, and the parties further acknowledge that nothing contained herein shall be argued by either of them to constitute any waiver by the Related Parties of any defense which Related Parties may otherwise have concerning whether they can properly be made a party to any dispute between the parties.

13. Limitation of Liability.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY OR ANY FAILURE OF ESSENTIAL PURPOSE, IN NO EVENT SHALL A CONSULTANT, R+F OR ANY OF ITS RELATED PARTIES BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE, HOWEVER CAUSED, ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE SUBJECT MATTER HEREOF (INCLUDING BUT NOT LIMITED TO THE R+F PRODUCTS, PROGRAM, R+F MARKETING MATERIALS, OR R+F BUSINESS SUPPLIES), WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT, OR OTHER THEORY OF LIABILITY (INCLUDING BUT NOT LIMITED TO NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE CONSULTANT, R+F OR ANY OF ITS RELATED PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN JURISDICTIONS THAT DO NOT GIVE EFFECT TO LIMITED LIABILITY OR EXCULPATORY CLAUSES, THIS PROVISION IS NOT APPLICABLE. IN JURISDICTIONS THAT ALLOW FOR EXCULPATORY OR LIMITED LIABILITY CLAUSES IN A LIMITED MANNER, THIS PROVISION IS APPLICABLE TO THE FULLEST EXTENT ALLOWED BY THE LAW OF SUCH JURISDICTION.

14. Indemnification.

Consultant shall indemnify, defend, and hold harmless R+F (together with its Related Parties, agents, other Consultants, stockholders, members, employees, directors, officers, and attorneys, collectively “Indemnified Parties”) from and against any and all losses or liabilities (including attorneys’ fees) they may suffer or incur as a result of Consultant’s breach or alleged breach of the Consultant Agreement, including, without limitation, any terms or conditions of the P&P.

15. Term; Renewal; Termination.

Consultants may terminate the Consultant Agreement at any time and for any reason by submitting a properly completed and signed Termination Notice Form to R+F’s Sales Support Department, as described in the P&P. Unless terminated earlier, the term of the Consultant Agreement is one year. To remain active, each Consultant must meet the requirements set forth in the P&P. Consultants must also renew their Consultant Agreement annually and the renewal must be accepted by R+F. See section 5I of the P&P for more details. Non-renewal may result in the expiration of the Consultant Agreement and the loss of Consultant’s right to continue participating in the R+F Program. In addition, R+F reserves the right to terminate the Consultant Agreement or take other remedial action if R+F determines, in its sole discretion, that Consultant has violated any provision or term of the Consultant Agreement. In the event of a termination, Consultant shall permanently lose all rights to receive remuneration from R+F resulting from the activities of Consultant or Consultant’s Downline organization. Upon termination, in addition to the Business Starter Pack refund, if applicable, described above, R+F will, at Consultant’s request,

repurchase from Consultant R+F Products that Consultant purchased for resale within 12 months prior to the date of termination at 100% of the original net cost to Consultant, less all commissions, rebates, and bonuses paid to Consultant in connection with such products, and provided that such products are returned to the Company at the former Consultant’s expense, and are owned by the Consultant and in their possession and remain in their original packaging, factory sealed, and are resalable (12 month requirement is not applicable to residents of Maryland, Wyoming, Massachusetts, and Puerto Rico). Partial Business Starter Packs are not resalable and not eligible for refund. Consultant is responsible for shipping such products to R+F at their expense. Refer to the P&P for definition of “resalable” and additional details regarding product returns upon termination. R+F will not be liable to any Consultant for damages of any kind solely as a result of terminating the Consultant Agreement in accordance with its terms, and termination of the Consultant Agreement will be without prejudice to any other right or remedy of R+F under the Consultant Agreement or applicable law.

16. Notice of Right to Cancel.

You may **CANCEL** this application, without any penalty or obligation, within **THREE BUSINESS DAYS** from the date of this Application (**5 business days for Alaska residents, 15 days for Montana residents and 15 business days for North Dakota residents aged 65 or older**). If you cancel, any payments made by you at the time you submitted this Application will be returned within **TEN BUSINESS DAYS** following receipt by the Company of your cancellation notice. If you cancel, you must make the Business Starter Pack (“Goods”) available for pick-up at your residence, in substantially as good condition as when received. Contact the R+F Sales Support Department (SalesSupport@rodanandfields.com) to make arrangements for the pick-up. If you do make the Goods available to R+F and R+F does not pick them up within 20 days of the date of your cancellation notice and request to return products, you may retain or dispose of the Goods without any further obligation. If you fail to make the Goods available to R+F, or if you agree to return the Goods to R+F and fail to do so, then you remain liable for performance of all obligations under the Application. To cancel this Application, mail or email a signed and dated letter which includes your name, your Consultant Identification Number, and the statement that “I HEREBY CANCEL THIS APPLICATION” to Rodan & Fields, LLC, 3001 Bishop Drive, Suite 450, San Ramon, CA 94583 or SalesSupport@rodanandfields.com **NOT LATER THAN MIDNIGHT** of the third business day following the date set forth above.

17. Miscellaneous.

The Consultant Agreement shall be governed by the laws of Delaware without giving effect to any choice of law rule that would cause the application of laws of any jurisdiction other than the laws of Delaware, except that the Federal Arbitration Act shall govern the Consultant Agreement’s Dispute Resolution Agreement, which is found in Section 18i of the P&P, without giving effect to any state law to the contrary. If any provision contained herein is found by a court of competent jurisdiction or an arbitrator or arbitral panel to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective, but shall not in any way invalidate or otherwise affect any other provision. The Consultant Agreement may not be assigned by Consultant without the express written consent of R+F as described in the P&P, but may be freely assigned by R+F, and shall be binding on each of the parties’ successors and permitted assigns. Any attempted assignment in violation of this Section or the P&P shall be void and shall subject the offending Consultant to remedial action by the Company.

Independent Consultant Application – USA

(Continued)

ACKNOWLEDGMENT AND AGREEMENT

ACKNOWLEDGMENT AND AGREEMENT

By signing and submitting this document, whether electronically or otherwise, I acknowledge that I have answered all questions truthfully and that I have read and agree to comply with all of the provisions of the Consultant Agreement as described above and in the Terms and Conditions that are included with this Application. By signing this document, I am also authorizing Rodan & Fields, LLC, or an independent payment processor acting on its behalf, to establish an RF Payday account on my behalf and to deposit monies owed to me into the account. Should any funds be deposited erroneously into my RF Payday account, I authorize Rodan & Fields, LLC to direct its payment processor to debit or credit my account as necessary to correct any errors.

CONSULTANT NAME: _____

PLEASE PRINT

SIGNATURE: _____

DATE: / /

(MM/DD/YYYY)

EXHIBIT B

POLICIES AND PROCEDURES

UNITED STATES

VERSION 20

RODAN+FIELDS

RODAN+FIELDS

CONSULTANT POLICIES AND PROCEDURES (U.S.) Version 20

EFFECTIVE DATE: July 1, 2023

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PLEASE NOTE: If there are questions regarding any of the following Policies and Procedures, please contact the Compliance Department via email at compliance@rodanandfields.com.

SECTION 1: THE COMPANY

Rodan & Fields, LLC (“Rodan + Fields” or the “Company”) is changing skin, hair and lives by partnering with entrepreneurs to redefine the future of skincare and haircare. Founded by Stanford-trained renowned dermatologists, Dr. Katie Rodan and Dr. Kathy Fields, Rodan + Fields is committed to offering life-changing, dermatology-inspired skin and hair care solutions. Rodan + Fields* is redefining skincare, haircare and entrepreneurship.

*Rodan and Fields, Rodan & Fields, Rodan + Fields

The Rodan + Fields Mission: Create life-changing opportunities and results for Consultants and Customers; bring transformative dermatology-inspired solutions to every market we serve.

SECTION 2: POLICIES AND PROCEDURES INCORPORATED INTO CONSULTANT AGREEMENT

These Policies and Procedures (including the Compensation Plan, Glossary and Code of Consultant Business Ethics incorporated herein by reference and attached as Appendices A, B and C hereto), in their present form and as amended from time to time at the sole discretion of Rodan + Fields (the “Policies and Procedures”), are incorporated into and form an integral part of the Consultant Agreement, which sets forth Rodan + Fields and each Consultant’s legal rights and obligations.

Throughout these Policies and Procedures, where the term “Consultant Agreement” is used, it refers to the legally binding agreement between Rodan + Fields and each Independent Consultant (“Consultant”), consisting of (i) a properly completed and submitted Consultant Application that has been accepted by Rodan + Fields in its sole discretion; (ii) these Policies and Procedures that are incorporated into and form an integral part of the Consultant Agreement; and, if applicable, (iii) a properly completed Business Entity Registration Form that has been accepted by Rodan + Fields in its sole discretion. In the event of any conflict between the applicable Consultant Application or the Business Entity Registration Form, and these Policies and Procedures, these Policies and Procedures shall control. It is the responsibility of each Consultant to read, understand, adhere to and ensure that they are aware of and operating under the most current version of these Policies and Procedures. When sponsoring a potential Consultant, it is the responsibility of the Sponsor to provide access to the most current version of these Policies and Procedures (including the Compensation Plan) to the new Applicant prior to that potential Consultant’s submission of the Consultant Application. The R+F Policies and Procedures can be found on the Rodan + Fields website, and in the Library.

Rodan + Fields may amend these Policies and Procedures and thereby amend the Consultant Agreement at its sole discretion, which shall be exercised reasonably and in good faith. Notice of any substantive changes will be provided to all Consultants by email and in The Insider Scoop weekly newsletter and/or posted in the Library. The amended Policies and Procedures

will become effective thirty (30) days after notice is provided, at which time the final amended policies will be posted on the R+F Website at www.rodanandfields.com and in the Library. Amended provisions shall not apply retroactively to conduct that occurred prior to the effective date of the amendment(s) except where indicated, and only in the event that the Consultant expressly agrees to the amendment. Consultants are responsible for reading their emails, The Insider Scoop and for regularly reviewing Rodan + Fields publications in the Library for notices of substantive changes to the Policies and Procedures.

Consultants' continued participation in the Program following the effective date of the amended Policies and Procedures constitutes acceptance of any changes or additions.

NOTWITHSTANDING ANYTHING TO THE CONTRARY ABOVE, ANY AMENDMENT BY RODAN + FIELDS TO THE DISPUTE RESOLUTION AGREEMENT IN SECTION 18i HEREIN SHALL ONLY TAKE EFFECT UPON A CONSULTANT'S EXPRESS AGREEMENT TO SUCH AMENDMENT. A CONSULTANT MAY INDICATE THEIR AGREEMENT TO SUCH PROPOSED AMENDMENT BY FOLLOWING THE INSTRUCTIONS ACCOMPANYING THE PROPOSED AMENDMENT THAT WILL APPEAR WHEN LOGGING IN TO THE R+F CORPORATE WEBSITE OR THE CONSULTANT'S PERSONAL WEBSITE. RODAN + FIELDS MAY TERMINATE THE CONSULTANT AGREEMENT OF ANY CONSULTANT WHO DOES NOT AGREE TO A PROPOSED AMENDMENT TO THE DISPUTE RESOLUTION AGREEMENT IN SECTION 18i WITHIN THIRTY (30) DAYS AFTER THE EFFECTIVE DATE OF THE AMENDMENT. ANY SUCH AMENDMENT SHALL APPLY TO ALL CLAIMS BROUGHT BY RODAN + FIELDS OR THE CONSULTANT ON OR AFTER THE EFFECTIVE DATE OF THE AMENDMENT, REGARDLESS OF THE DATE OF OCCURRENCE OR ACCRUAL OF ANY FACTS UNDERLYING SUCH CLAIM.

Rodan + Fields is deeply committed to ethical business practices and doing the right thing. It is the Company's expectation that, as the face of Rodan + Fields, Consultants review and uphold the R+F Code of Business Ethics, which is attached to the Policies and Procedures as Appendix C and which is also available on the R+F Website at www.rodanandfields.com.

The mutual success of Rodan + Fields and its Consultants relies on the Consultants' understanding and execution of these Policies and Procedures, as well as all laws and regulations that apply to each Consultant's Rodan + Fields Consultant Agreement. The Code of Business Ethics is designed to protect Consultants and their businesses, the Rodan + Fields brand, and, importantly, all Consumers (namely, any potential and existing Customers or Consultants). Capitalized terms used throughout these Policies and Procedures are defined in the Glossary (Appendix B).

SECTION 3: TO BE A CONSULTANT

3a. To be a U.S. Consultant, one must:

- be 18 years of age or older;
- complete and submit a Consultant Application that is accepted by Rodan + Fields;
- purchase a Business Starter Pack;
- be authorized to run a business, and have an address to which products,

correspondence and other items may be sent, in the United States, the District of Columbia, Puerto Rico, Guam or a U.S. military base as permitted by the base commander;

- provide your valid Social Security Number that is associated with your legal name;
- provide your valid email address not already associated with another Rodan + Fields Consultant or Customer account, and valid credit card;
- not be in jail or prison or otherwise confined to a correctional institution;
- not have ever been convicted or plead no contest to a felony within the past 7 years. Felonies that occurred more than seven (7) years ago will be reviewed at Rodan + Fields discretion and may render an individual ineligible to be a R+F Consultant;
- not be a current employee, officer or director of Rodan + Fields and/or its affiliates, or the spouse or registered domestic partner of any of the foregoing; and
- not be a current employee, officer or director of Guthy-Renker LLC, Nestlé Skin Health S.A. and/or their affiliates, or the spouse or registered domestic partner of any of the foregoing.

Any Business Entity doing business under an assumed name (DBA) must also submit a true and complete copy of its certificate of DBA if requested by Rodan + Fields. A Business Entity (i.e., a corporation, limited liability company, or partnership) applying to be a Consultant must also comply with the requirements of Section 5j.

3b. Independent Contractor Status:

Consultants shall not be treated as employees of Rodan + Fields for any purpose including, without limitation, for federal, state or local tax purposes or for retirement or unemployment benefits. Consultants are not entitled to the benefits that Rodan + Fields may make available to its employees. Consultants are self-employed, non-exclusive independent contractors who are authorized by Rodan + Fields to market and sell the R+F Products and sponsor Consultants in the United States, the District of Columbia, Puerto Rico and Guam, and in any Authorized Country subject to having legal authorization to run a business and work in the applicable jurisdiction. Except to the extent necessary to comply with legal requirements and/or to protect the Company's intellectual property and brand reputation, Rodan + Fields does not exercise control over the manner or means by which Consultants sell R+F Products, sponsor others in the Program or otherwise operate the Consultant Agreement, provided that Consultants comply with the Consultant Agreement. Consultants may engage helpers or assistants without seeking approval from Rodan + Fields, but any Consultant who hires others remains fully responsible for the activities of such helpers or assistants, such that any breaches of the Consultant Agreement by any such person will be deemed to have been committed by the Consultant who hired such person. Consultants are not, and shall not represent themselves to be, employees (which includes not representing that they receive any sort of paycheck or salary from Rodan + Fields), agents or representatives of Rodan + Fields or purchasers of a franchise. Any agreement between Rodan + Fields and a Consultant

does not create an employee/employer relationship, agency, partnership or joint venture between Rodan + Fields and such Consultant.

Consultants have no authority (expressed or implied), and shall not represent that they have any authority, to bind Rodan + Fields to any obligation, contract or agreement or otherwise. Consultants shall establish their own goals, hours, place of business and methods of sale, so long as they comply with the Consultant Agreement. Consultants are solely responsible for all decisions made and all costs incurred with respect to their Consultant Agreements. All Consultants assume all entrepreneurial and business risk in connection with their Consultant Agreements.

Consultants are responsible for obtaining any state or local licenses, permits and other governmental approvals applicable to their business, including qualifications to transact business in states other than their domicile. There is no guarantee that there is or will be a market for the R+F Products or that Consultants will earn or will not lose money.

3c. Getting Activated:

Once an Applicant has submitted a properly completed Consultant Application, purchased a Business Starter Pack, submitted any other documents that Rodan + Fields may require, and Rodan + Fields has accepted and processed the Consultant Application, the Applicant will become a Consultant and will be assigned a unique Identification Number and will be required to select a Password. It is the responsibility of the Consultant to provide the correct Identification Number in all communication, verbal and written, to Rodan + Fields.

Consultant's Identification Number must be used by that Consultant to identify themselves to Rodan + Fields in all correspondence with Rodan + Fields and may also be required for transactions. A Consultant may, but is not required to, provide their Identification Number to Customers and potential Customers to assist Rodan + Fields in identifying and linking the Customer or potential Customer to that Consultant's account for online orders.

A Consultant's Password is considered Confidential Information and should not be shared with anyone. The Password is used by a Consultant to access the R+F Website, their Personal Website (PWS), and PULSE by Penny, through which they can order the R+F Products and/or access the Consultant's performance history records, organizational status and Performance Reports. Consultants are responsible for maintaining the security of their Password and should choose a unique Password that is difficult for others to guess. Consultants should not share their Password with others and should change their Password at a minimum every three (3) months. Should a Consultant suspect their Password has been compromised, they should immediately change the Password. For information regarding the PULSE by Penny Program, see Section 11j.

SECTION 4: CONSULTANT ADVANTAGES

Once an Applicant has become a Consultant as described above, the Consultant is able to participate in, and make good use of, the opportunities and advantages provided by the

Program. These advantages include the ability of the Consultant to:

- purchase the R+F Products at Consultant Prices;
- sell the R+F Products as described herein;
- qualify and participate in the Compensation Plan (receiving Commissions and Achievement Rewards, if eligible);
- sponsor Preferred Customers and other potential Consultants into the Program, advance through the various levels under the Compensation Plan and grow sales;
- receive periodic Rodan + Fields communications; and
- voluntarily participate in Rodan + Fields sponsored support, service and training, and in motivational, promotional, incentive and recognition programs for Consultants, upon payment of appropriate charges, if applicable.

SECTION 5: CONSULTANT REQUIREMENTS AND RESTRICTIONS

5a. Business Starter Pack:

In order to become a Consultant, an Applicant must purchase a Business Starter Pack at the time they submit a Consultant Application to Rodan + Fields. Provided all the requirements set forth in Sections 10c(iii), 10d and 10e are met, a Consultant may return the Business Starter Pack at any time within one (1) year after activation and receive a complete refund of the purchase price (not including any shipping costs).* The return of a Business Starter Pack will be considered a voluntary Termination by the Consultant. Obtaining a refund when returning the Business Starter Pack is conditioned upon the Business Starter Pack meeting the requirements contained in sections 10(c)(iii), 10(d) and 10(e).

*Consultants residing in Maryland, Wyoming, Massachusetts and Puerto Rico may exceed the one-year Business Starter Pack return period for a refund (one-year limitation does not apply).

5b. No Inventory Requirements / 70% Rule:

Inventory and purchase controls are designed to ensure compliance with legal prohibitions on inventory loading, i.e., purchasing of inventory in large quantities for the purpose of achievement of title recognition, rewards or payments under the Compensation Plan. Consultants are not required or encouraged to purchase or carry any amount of inventory of the R+F Products. Indeed, Consultants have active accounts and earn Commissions and Achievement Rewards without carrying any inventory. Orders may be transacted directly with the Company on behalf of the Consultant through the R+F Website and/or a Consultant's Personal Website (PWS). Consultants receive full credit for all such sales without the need to carry any inventory. Consultants may, at their option, purchase the R+F Products in bulk for resale to Customers, provided that the Consultant retains receipts showing that at least 70% of those R+F Products were resold to one or more different Retail Customers or were otherwise used in support of business activities (e.g., incentives or demonstrations) within

thirty (30) days of the last applicable order delivery date. Products not sold to Retail Customers or used for business activities should be for personal use within thirty (30) days of the order delivery date. Any such purchases by a Consultant may not be for the purpose of qualification for Recognition Titles or Achievement Rewards and must not be excessive in relation to the earnings of any Consultant who makes such purchases. Furthermore, falsely representing the sale or use of R+F Products is grounds for termination of the applicable Consultant Agreement. Rodan + Fields reserves the right to require further documentation concerning any bulk or large orders to ensure compliance with this Section. Moreover, any Consultant purchasing R+F Products in excess of \$1000 in any calendar month will be subject to the requirements set forth in Section 5c, below.

5c. Purchase Limitations and Advancement Buying:

5c (i): Purchase Limitations

As stated in Section 5b, above, Rodan + Fields takes measures to prevent illegal inventory loading. All Consultant purchases of R+F Products in excess of \$1000 during any calendar month are subject to review by Rodan + Fields. In addition to the 70% sale requirement stated in Section 5b above, such orders must be supported by receipts retained by a Consultant demonstrating they were sold to at least three (3) different Retail Customers and/or provided as incentives to at least three (3) individuals. Also, as part of this review, and in addition to the sales receipts, Consultants may be required to complete a Monthly Retail Sales Record Form available in the Library, detailing the date of the sale to the Retail Customer, the Retail Customer name, the products sold, the method of payment and the total sale amount. Rodan + Fields' obligation to repurchase the R+F Products as set forth in Section 10 will not apply with respect to Consultant purchases that fail to comply with Sections 5b and 5c. Rodan + Fields reserves the right to rescind qualification for Recognition Titles or Achievement Rewards, including incentive trips and car allowances, or to claw back Commissions, in instances in which a Consultant is found to have placed excessive orders, whether those orders are placed in their own Consultant account or in a Customer account.

5c (ii): Advancement Buying

Advancement Buying is prohibited in all circumstances. "Advancement Buying" is the purchase of product for a reason that is unrelated to bona fide resale or use, or any mechanism used to qualify for: (i) rank advancement, (ii) maintenance, (iii) achievement of incentives, (iv) prizes, (v) commissions or (vi) advancement rewards that are not driven by bona fide product purchases by end users for actual use, or for use in a Consultant's business in a reasonable manner.

5d. Consultant Status:

An Applicant becomes a Consultant when their Consultant Application or, in the case of a Business Entity, a Business Entity Registration Form, is accepted by Rodan + Fields. A Consultant remains a Consultant in the Program by: (i) renewing their Consultant Agreement in accordance with Section 5l below on each anniversary and acceptance of such renewal by Rodan + Fields; (ii) complying with the requirements of the Consultant Agreement; and (iii) not having a terminated account status.

5e. Eligibility:

Rodan + Fields reserves the right to accept or reject any Consultant Application or Business Entity Registration Form for any reason at its sole discretion, to the extent permitted by law. Without limiting the generality of the foregoing, Rodan + Fields reserves the right to reject any Consultant Application or Business Entity Registration Form if Rodan + Fields determines in its sole discretion that its acceptance of a Consultant Application would result in any actual or potential conflict of interest or would call into question the independence of a Consultant.

5f. Single Consultant Account:

A Consultant may hold only one account under a single Sponsor. A person or entity may not be a party to more than one Consultant Agreement or hold, directly or indirectly, any interest in additional Consultantships*, including any Consultant Agreements operated by a Business Entity. **Consultants whose credit card information appears on Consultant accounts other than their own will be in violation of this policy and subject to termination.**

* Consultantship, as used in these Policies and Procedures, refers to the activities of a Consultant pursuant to their Consultant Agreement.

5g. Spouses and Common Law Married Couples Operate Under a Single Consultant Agreement:

To prevent household buying of R+F Products that constitutes illegal inventory loading, if spouses or common law married couples both wish to be Consultants, they must be registered together under a single Consultant Agreement under a single Sponsor using a single Social Security Number. To be compliant, spouses or common law married couples must first enroll under one single account with a single Social Security Number, and then submit a completed Spouse or Partner Add Form that must be received and accepted by Rodan + fields. Copies of the Spouse or Partner Add Form may be found on the Rodan + Fields website and in the Library.

Spouses and common law married couples may neither sponsor each other directly or indirectly, nor have different Sponsors. Children over the age of eighteen (18) residing with their parents who meet all of the eligibility requirements may have their own Consultant Agreements. For information regarding the disposition of a Consultant Agreement shared by persons in a spousal or common law marital relationship upon divorce or separation, see Section 14b. For information on Sale and Transfer requirements, see Section 14a.

5h. Territory:

No Consultant shall assert or imply that they have ownership of, or exclusivity in, any particular geographic area, territory, market or region. All Consultant Agreements are nonexclusive, and all Participating Consultants have the right to market and sell the R+F Products and otherwise conduct their Consultant Agreement in their Home Country and in any Authorized Country, in accordance with the terms of the Consultant Agreement. Consultants may not market or sell the R+F Products or otherwise conduct their Consultant Agreement in

any geographic area or territory outside of their Home Country or any Authorized Country. Consultants may only market or sell the R+F Products or otherwise conduct their independent businesses in jurisdictions outside of any Authorized Country in the event Rodan + Fields advises its Consultants that they may do business in that country, subject to any conditions and limitations of such advisory. Notwithstanding the foregoing, Consultants doing business in jurisdictions outside of the United States, the District of Columbia, Puerto Rico or Guam shall do so pursuant to that jurisdiction's Policies and Procedures and the Consultant shall be responsible for complying with the laws of such jurisdiction, including tax and immigration laws. See Section 5n below for rules relating to cross-border activities.

5i. Consultant Information:

Each Consultant is responsible for keeping their Consultant Information up to date and accurate and must immediately update any changes in their PULSE by Penny account. It is particularly important that a Consultant provides Rodan + Fields with their current email address, since email is one of the primary ways that Rodan + Fields and a Consultant's Upline will communicate with the Consultant. Information about R+F's privacy practices and procedures is contained in its Privacy Policy available at www.rodanandfields.com/privacy-policy. By agreeing to these Policies and Procedures, the Consultant consents to Rodan + Fields' Privacy Policy and to receiving emails from Rodan + Fields as well as from their Upline. Each Consultant may modify their Consultant Information (e.g., update an address, phone number or email address). Consultant agrees that Rodan + Fields may share with Consultant's Upline their name, telephone number, address, email address and select sales performance data for all Consultants in their Downline. No Social Security Number nor credit card number shall be shared with a Consultant's Upline without separate express permission by Consultant to allow such personal information sharing. By providing their email address and telephone number, Consultant agrees to disclose their email address and telephone number to Rodan + Fields as well as to their Upline. Consultant further acknowledges that information provided to Rodan + Fields by Consultant will be shared with and processed by Rodan + Fields' corporate offices located in other jurisdictions, including but not limited to the United States, Canada, and Australia.

5j. Business Entities/Change in Consultant Agreements:

A Consultant enrolled as an individual may apply to convert their Consultantship to a corporation, limited liability company, partnership or similar business entity ("Business Entity"). To effect such, the Business Entity must:

- be beneficially owned by the converting Consultant immediately following conversion, and thereafter;
- be incorporated or organized in the United States, the District of Columbia, Puerto Rico or Guam;
- have its principal place of business in the United States, the District of Columbia, Puerto Rico or Guam;
- have a valid Federal Tax Identification Number;

- complete, sign and submit a Business Entity Registration Form that is accepted by Rodan + Fields (see Business Entity Registration Form in the Library for more details);
- list all members, partners, beneficial owners, etc. that are part of the Business Entity;
- each proposed member of the Business Entity must fill out a Consultant Application and meet the eligibility requirements of Section 3a prior to taking Beneficial Ownership of the Business Entity;
- if requested by Rodan + Fields, submit a true and complete copy of the organizational and charter documentation (e.g., certificate of incorporation, articles of organization, certificate of formation, operating agreement, etc.) of such Business Entity; and
- have a valid email address and a valid credit card.

In addition, the Beneficial Owner of the Business Entity must assign their Consultant Agreement to the Business Entity Applicant pursuant to the Business Entity Registration Form. All other Beneficial Owners of the Business Entity must be identified in the Business Entity Registration Form.

All Beneficial Owners of a Consultantship that is a Business Entity shall be jointly and severally liable for, and shall indemnify and hold harmless Rodan + Fields from and against, any breach of the Consultant Agreement by such Business Entity or any indebtedness or other obligation to Rodan + Fields of such Business Entity.

The Beneficial Owners of the Business Entity are responsible for the conduct of their employees, contractors or agents and will be held accountable for any violation of the Consultant Agreement, including without limitation the failure of their employees, contractors or agents to adhere to these Policies and Procedures. See Section 5k for further information.

A Consultantship that is a Business Entity and undergoes a change of Beneficial Ownership must comply with Section 14d or it may have its Consultant Agreement and Consultantship terminated.

A Consultantship that is a Business Entity may not use any trade name, business name or DBA that includes any R+F Trademark.

Subject to the above requirements and restrictions, a Consultant may change a Consultantship's status from a sole proprietorship to a corporation, limited liability company, partnership or other form of approved Business Entity, or from one type of Business Entity to another, by submitting a new Business Entity Registration Form. In addition, a Consultant may add their spouse to a sole proprietorship as a co-applicant to the Consultant's existing Consultantship by submitting a new Consultant Application in the form of a partnership. In each such case, upon Rodan + Fields' acceptance of the new Consultant Application and, if applicable, the Business Entity Registration Form, the Consultant's original Consultant Agreement will cease to be in effect and will be replaced and superseded by the newly

formed Consultant Agreement. Note that none of the changes described above will permit a Consultant to change Sponsors, except as specified in Section 7d, or to assign or transfer a Consultantship except as specified in Section 14a. Additionally, converting a Consultantship from an individual consultantship to a Business Entity or from one type of Business Entity to another shall not be used as a means to transfer the Consultant account from one party to another. Please note that Rodan + Fields will not approve a request to convert a Consultantship to a Business Entity if the intention, whether express or implied, is to achieve an improper sale/transfer or to Line Switch. See Section 14a and 7d for more information.

5k. Actions of Household Members, Employees, Agents, etc.:

Each Consultant is responsible for the actions of their immediate household members, except for children over the age of eighteen (18) who have their own Consultant Agreement pursuant to Section 5g. Each Consultant is also responsible for the actions of the Consultant's employees, contractors and agents, and each Consultantship that is a Business Entity is responsible for the actions of its owners, officers, directors, employees, contractors and agents. If any such household member or such owner, officer, director, employee, contractor or agent engages in any activity which, if performed by the Consultant, would violate the Consultant Agreement, including without limitation a failure to adhere to these Policies and Procedures, such activity will be deemed a breach by the Consultant and Rodan + Fields may terminate the Consultant Agreement and/or seek other appropriate remedies against such Consultant as detailed in therein. In appropriate circumstances, Rodan + Fields may elect to first provide notice to the Consultant allowing them time to cure the breach prior to taking further action.

5l. Consultant Agreement Renewal:

A Consultant Agreement commences on the date of activation and must be renewed on an annual basis. A Consultant's failure to renew their Consultant Agreement upon the one (1) year anniversary of the activation date may result in the termination of their Consultant Agreement.

Rodan + Fields will send the Consultant a renewal notice no later than thirty (30) days prior to the anniversary date of acceptance by Rodan + Fields of the original Application. If a Consultant wishes to apply to renew their Consultant Agreement, the Consultant must complete the renewal process and pay a \$25.00 fee. Failure to do so may result in termination of the Consultant Agreement within thirty (30) days. The \$25.00 fee is waived, and the account is automatically renewed for a year for any Consultant who: (i) carries the Recognition Title of Executive Consultant or higher as of the Commission Period immediately prior to their anniversary month; or (ii) has achieved a minimum of 50 Personal Volume (PV) in any of the three (3) Commission Periods immediately prior to their anniversary month. If a Consultant Agreement is terminated for non-renewal, the affected Consultant may re-enroll in accordance with Section 15d of the Policies and Procedures.

5m. Income Taxes:

Each Consultant is responsible for paying (and will indemnify and hold Rodan + Fields

harmless from) all local, state, federal and other taxes on any income derived from the sale of the R+F Products and any payments or other monetary or non-monetary compensation under this Agreement. Rodan + Fields will provide the Internal Revenue Service's Form 1099 NEC (non-employee compensation) earning statement for each U.S. resident Consultant who had global compensation of \$600 or more in the previous calendar year paid to them in the U.S. or made purchases from Rodan + Fields during the previous calendar year of \$5,000 or more. Rodan + Fields will not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, or obtain worker's compensation insurance on a Consultant's behalf. If for any reason a Consultant provides an invalid Social Security Number or Tax ID and does not provide a valid Social Security Number or Business Tax Identification Number, once requested, within thirty (30) days, Rodan + Fields reserves the right to terminate their Consultant Agreement.

5n. Cross-Border Activity - Conducting Business in a Home Country:

A Consultant Agreement is specific to the country in which a Consultant enrolls ("Home Country"). A Consultant must have legal authorization to run a business in their Home Country and must provide to Rodan + Fields upon enrollment a valid address in such Home Country to which R+F Products, correspondence or other items may be shipped. A Consultant may make purchases, sell the R+F Products and sponsor other Consultants within their Home Country. Additionally, a Consultant may sponsor Consultants and Preferred Customers and sell to Retail Customers in countries outside their Home Country and make sales to them via the R+F Website or the Consultant's PWS, so long as Rodan + Fields has direct selling operations in such other country. Consultants may not purchase R+F Products in their Home Country and physically transport them across a country border to sell the R+F Products in another country. See below for further details regarding conducting business outside a Home Country. Rodan + Fields currently has direct selling operations in the United States (including the District of Columbia, Puerto Rico and Guam), Canada (except Quebec¹¹) and Australia.

5n (i): Doing Business on U.S. Military Bases

In the case of Consultants living on U.S. military bases within or outside of the United States (including the District of Columbia, Puerto Rico and Guam), the sale and marketing of the R+F Products and the presentation of the Program to potential Customers and Consultants also living on said military bases may be conducted as permitted by the base commander in charge or as permitted in accordance with local laws. It is the Consultant's responsibility to ensure that they have all of the necessary authorizations. In accordance with this Section, Consultants may not engage in the activities prohibited by subsection 5o off-site of military bases in locations that would otherwise not be an Authorized Country. Please refer to Section 9c regarding shipments to Military APO/FPO/DPO or Military P.O. Box addresses.

¹ CONSULTANTS MAY NOT MARKET OR SELL PRODUCTS WITHIN THE PROVINCE OF QUEBEC. CONSULTANTS LOCATED OUTSIDE THE PROVINCE OF QUEBEC MAY ACCEPT UNSOLICITED INCOMING ORDERS FROM RETAIL CUSTOMERS OR PREFERRED CUSTOMERS PHYSICALLY LOCATED IN THE PROVINCE OF QUEBEC, PROVIDED SUCH INCOMING ORDERS ARE NOT THE RESULT OF THE CONSULTANT'S MARKETING OF SUCH PRODUCTS WITHIN THE PROVINCE OF QUEBEC.

5o. Cross-Border Activity - Conducting Business Outside a Home Country:

5o (i): Conducting Business in a Location where Rodan + Fields Currently does Business, an "Authorized Country"

If a Consultant wishes to cross a border to do business on the ground in a country where Rodan + Fields has direct selling operations that is outside their Home Country (an "Authorized Country"), the Consultant must ensure that they have the proper authorization to work or run a business in such Authorized Country. Consultant must make sure to comply with all applicable laws of the Authorized Country, including but not limited to, all immigration, visa and registration requirements. Short term trips and visits for the purpose of meetings, negotiations and training may require business visitor status in such Authorized Country or even a visa in some cases, depending on the country the Consultant is visiting. For further details and information, Consultant should consult their own immigration attorney.

5o (ii): Tax Consequences Relating to U.S. Consultant Business Activities Physically Performed in Other Authorized Countries

In some circumstances, U.S. Consultants who conduct business activities in other Authorized Countries may be subject to certain tax consequences. Consultants should seek advice from their own tax advisors with respect to the tax implications of working in other Authorized Countries.

5o (iii): Conducting Business in a Location where Rodan + Fields does not do Business, an "Unauthorized Country"

If a Consultant wishes to cross a border to do business on the ground in a country where Rodan + Fields does not yet have a direct selling business (an "Unauthorized Country"), the Consultant is limited to providing business cards and attending small (less than five (5) person) meetings where Consultant may discuss their current business and general aspects of the Rodan + Fields business as they apply in Authorized Countries, but may not otherwise make attempts to establish a Downline or promote the Program. Consultant may not use flyers, cold calling, mass emailing or mass soliciting of any kind to promote their business in an Unauthorized Country.

In addition, Consultant may not do any of the following in an Unauthorized Country:

- import or facilitate the importation of, sell or distribute in any manner, the R+F Products;
- place any type of advertisement or distribute any promotional material regarding Rodan + Fields (unless previously approved by Rodan + Fields);
- conduct training meetings;
- solicit or negotiate any agreement for the purpose of committing a citizen or resident of an Unauthorized Country to the opportunity or a specific Sponsor. Furthermore, Consultants may not sign up citizens or residents of an Unauthorized Country by using forms from an Authorized Country, unless the citizen or resident of the Unauthorized Country has at the time of enrollment, an address to which products, correspondence and other items can be sent, as well as legal authorization

to work, in the Authorized Country. It is the Consultant's responsibility to ensure compliance with any residency and work authorization requirements;

- accept money or other consideration, or be involved in any financial transaction with any prospective Consultant, either personally or through an agent, for purposes relating to the R+F Products or the opportunity, including renting, leasing or purchasing facilities for the purpose of promoting or conducting Rodan + Fields related business; or promote, facilitate or conduct any type of activity which exceeds the limitations set forth in these Policies and Procedures or which Rodan + Fields, in its sole discretion, deems to be contradictory to its business or interest in international expansion.

5p. International Sponsorship:

If you wish to sponsor Consultants in an Authorized Country that is not your Home Country, you must comply with all applicable laws of that specific Authorized Country, including but not limited to, all immigration, visa and registration requirements, and comply with Policies and Procedures, and any applicable company certification or requirements of that Authorized Country. Provided you are compliant with such laws and applicable Policies and Procedures, you may sponsor new Consultants in an Authorized Country other than your Home Country.

Notwithstanding the above provisions, you may not import, sell or distribute R+F Products from one Authorized Country to another Authorized Country.

Rodan + Fields reserves the right to designate certain countries wherein all pre-marketing conduct is expressly prohibited. It is a Consultant's responsibility, prior to each instance of conducting pre-market opening activities in any Unauthorized Country, to verify with Rodan + Fields any allowable activity unless previously approved by Rodan + Fields.

SECTION 6: CONSULTANT BUSINESS PRACTICES

6a. Media Inquiries:

Consultants may not respond to media inquiries regarding Rodan + Fields, the R+F Products, the Program or any other aspect of Rodan + Fields's businesses. All such media inquiries should be immediately referred to the Rodan + Fields Corporate Communications Team at CorporatePR@rodanandfields.com.

Additionally, Consultants may not seek out their own media opportunities that relate to Rodan + Fields without first gaining permission from the Corporate Communications Team. If you have a media opportunity that you feel falls within the Policies and Procedures that you would like to pursue, you must first contact CorporatePR@rodanandfields.com. This policy is designed to ensure that accurate, compliant, and consistent information is provided to the public.

If Consultants are approved to communicate with media regarding Rodan + Fields, they are not to provide direct referrals to their website or PWS, phone number or other personal

contact information. The only reference that should be provided is the R+F Website or to contact CorporatePR@rodanandfields.com. For additional advertising and media guidelines, refer to Section 11, including sub-section 11k Influencers.

6b. Adherence to the Program:

Consultants shall present the Program in a truthful and accurate manner consistent with the Consultant Agreement and the R+F Marketing Materials. Consultants shall not offer the Program through or in combination with any other system, program or method of marketing. Consultants shall not promote, require or encourage any current or potential Customers or Consultants to: (i) participate in the Program in any manner that varies from the Program as set forth in the Consultant Agreement and the R+F Marketing Materials; or (ii) execute or adhere to any agreement or contract other than the Consultant Application and these Policies and Procedures in order to become Consultants and participate in the Program.

6c. Product Claims:

6c (i): Product Claims in General

Consultants shall not make any claims or representations regarding the R+F Products other than those claims and representations found in the R+F Marketing Materials located in the Library. Rodan + Fields sells two categories of products: Cosmetic and those that contain OTCs (Over-The-Counter drugs). All claims regarding Cosmetic Products must focus exclusively on appearance changes. If "active ingredients" are included in the Drug Facts Box on the product label, then it contains OTCs and any claims regarding changes to the structure or function of the body must be strictly limited to the claims found in R+F Marketing Materials and product labeling. For additional information on Product Claims for use on social media or in newsletters, refer to Sections 11k and 11o.

6c (ii): "Before and After" Photos

"Before and after" photos claiming results for conditions other than those indicated on the product labeling may not be used for any purpose. Consultants may use the "before and after" photos and product stories that Rodan + Fields publishes in support of the R+F Products.

If a Consultant wishes to use their own personal "before and after" photos, the subsequent guidelines must be followed:

- the Consultant must identify themselves as an Independent Consultant for Rodan + Fields and the subject of the photo;
- the information shared must represent the Consultant's honest opinions, findings, beliefs and experiences from using R+F Products;
- the information shared must clearly and conspicuously disclose the substantiation of representations conveyed, which includes:
 - o how often and how long the R+F Products were used, unless otherwise directed by Corporate's advertising standards (i.e. Lash Boost); or

- whether any other products or treatments contributed to the results;
- for skincare, hair should be pulled back from the face (does not apply to haircare);
- photos must be in focus, in a portrait landscape and with a well-lit, plain background;
- photos must be supported by and consistent with Rodan + Fields' label claims;
- the "before and after" photos must be taken under the same conditions;
- touch-ups and photo editing are not permitted.
- if showcasing results on the body such as the arms, chest, or legs, before and after photos must be realistic, consistent with claims, and no manipulation of the skin (such as stretching or pulling it), or hair (such as using additional products) is permitted and
- makeup may be worn in "before and after" photos (with proper disclosure) however, the makeup may not impact the results or, be applied in areas where the featured products was used (i.e. mascara is not permitted in Lash Boost "before and after" images, foundation would not be permitted for skincare products such as Reverse, Redefine, etc.) However, it would be permitted to use a subtle, natural lip gloss or eyeshadow in a before and after image featuring your visible skincare and haircare results from one of the R+F Products.

If a Consultant wishes to use "before and after" photos or product testimonials of a Customer, friend or family member, in addition to the foregoing requirements, the Consultant is responsible for obtaining and maintaining permission from the person who is the subject of the photos or testimonial. Do not use "before and after" photos of anyone under the age of 13. If the Customer, friend or family member is between the ages of 13 and 18, it is highly recommended that you obtain the permission of a parent or guardian. A Consultant who posts a "before and after" photo or product testimonial on social media sites must identify the subject if the subject is a relative (e.g., "daughter of R+F Independent Consultant") and is responsible for ensuring that all requirements of this Section are met. Such photos and testimonials may be shared on social media sites, unless the Consultant who shares it has any reason to believe that the foregoing requirements have not been met.

6d. Income Claims Prohibited:

Consultants shall not make claims or representations of potential or guaranteed income or profits in connection with the Program. Any amounts that Consultants earn through the Program are based only on the sale of R+F Products and not on the mere act of sponsoring other Consultants. The Federal Trade Commission and several states have laws and/or regulations that prohibit certain types of income claims and testimonials by persons engaged in direct selling/network marketing. When discussing the Program with other Consultants or potential Consultants, Consultants may not make any projections, claims or estimates regarding such other Consultants' potential or guaranteed income from the Program, or disclose their own income from the Program (including by showing RF Payday Account statements, checks, copies of checks, bank statements, tax records or other such documents). Additionally, Consultants may not make income claims that represent the non-

typical earner. All claims of income must be consistent with the publicly available Rodan + Fields Income Disclosure Statement and must represent what the average or typical participant is likely to earn and prospective Consultants must be referred to such statement.

Lifestyle claims (e.g., my Rodan + Fields business allowed me to buy a house, retire from my other job, allow my spouse to quit their job, or take a luxury vacation) are considered to be equivalent to income claims.

Similarly, hypothetical income examples that are used to explain the operation of the Compensation Plan are also considered to be analogous to income claims. Such claims and lifestyle claims must also represent what the typical Rodan + Fields Consultant is likely to achieve based on the most current Rodan + Fields Income Disclosure Statement.

If a Consultant does make a statement of what Rodan + Fields has afforded them or provides hypothetical examples, the following conditions must be met:

- the information must be accurate and not misleading, where misleading can be considered anything not typical;
- the level of effort required to achieve the results described must be fully detailed;
- claims of potential or guaranteed income may not be made;
- actual earnings may not be disclosed;
- hypothetical income examples must be typical and clearly indicated as such; and
- the Income Disclosure Statement must be provided in all instances. This must be provided as the actual document or a link to the actual document. Any writings, including social media personal posts and profiles, email signature blocks, or written personal stories that include any lifestyle claim must include the following statement which must include a direct link to the IDS:

"This is my unique story; for info re: typical earnings [click here.](#)"

Or, alternatively, for platforms that do not allow documents to be linked directly, please use this disclaimer:

"This is my unique story, for info re: typical earnings, search 'Rodan + Fields IDS.'"

A copy of the Income Disclosure Statement should be handed out if speaking about lifestyle claims during in-person meetings. Further, posting a picture or message proclaiming your lifestyle success and tying it to Rodan + Fields, either by explicitly referring to Rodan + Fields, or by saying "my company," "the company," or when using any implicating hashtags, you must include the above disclaimer.

In addition, if the income and/or lifestyle claim is geared toward recruiting, the following, more robust disclaimer, must be included, and must include a link to the IDS:

"This is my unique story. Actual earnings vary significantly; no income is

guaranteed. For info re: typical earnings, search Rodan + Fields IDS.” [or: click here.]

The Income Disclosure Statement is available in the Library and on the R+F Website.

For additional information on use of the Income Disclosure Statement in social media posts and elsewhere, and on Income Claims generally, refer to Sections 11k and 11o. For guidelines on proper use of the disclaimer please see the Income and Lifestyle Disclaimer Guidelines available in the Library on PULSE.

6e. No Representations Regarding Governmental Approval:

Consultants may not represent that the R+F Products or the Program have been approved or endorsed by any governmental or regulatory agency. In addition, Consultants may not make any claims or representations regarding the R+F Products that constitute off-label drug claims. Notwithstanding the foregoing, Consultants may represent that R+F Products meet all FDA and other safety guidelines and regulations.

6f. No Repackaging or Re-labeling:

Consultants may not re-label or alter the labels or other content on any R+F Products, R+F Marketing Materials or other information or materials related to the Program in any way, other than as authorized or directed by Rodan + Fields. Consultants may, however, affix their address labels to the Product packaging, but must affix the labels in a way that does not impair the ability to return such Products and may not cover any other text on the label.

Please refer to Section 10e. Consultants may not repackage or refill any R+F Products. The R+F Products must be sold in original Company containers only.

Repackaging or re-labeling may violate applicable laws, which could result in civil damages or criminal penalties. Civil liability may also result if a person using the R+F Products suffers any type of injury or property damage due to the repackaging or re-labeling of the R+F Products.

6g. Performance Reports (Downline Activity):

Rodan + Fields will make online Performance Reports available to Consultants for the sole purpose of supporting communication and leadership with their own respective Downlines and the development of their own respective Consultantships. The Performance Reports will contain names, telephone numbers, addresses, email addresses and select sales performance data for all Consultants in their Downline. Consultants agree to allow their performance information to be included in the Performance Reports provided to their Upline. All Performance Reports and the information contained therein are the Confidential Information of Rodan + Fields and must be treated as such pursuant to Section 6r. In particular, except as expressly permitted by Section 6r, Consultants must not:

- directly or indirectly disclose any information contained in any Performance Reports to any third party;

- use such information to compete with Rodan + Fields or for any purpose other than supporting communication and leadership with their own respective Downlines and the development of their own respective Consultantships;
- encourage or solicit any Customers or Consultants listed in a Performance Report to alter their business relationship with Rodan + Fields; and
- except as specifically authorized by Rodan + Fields, directly or indirectly disclose their Rodan + Fields Login and/or Password to anyone, including third party entities or companies that may provide services to Consultants.

6h. Ethical Marketing:

Consultants shall safeguard and promote the good reputation of Rodan + Fields. Consultants shall at all times conduct their Consultantships in a manner that reflects favorably on the R+F Products and the good name, goodwill and reputation of Rodan + Fields. Consultants shall not engage in deceptive, misleading or unethical conduct or practices that are or might be detrimental to Rodan + Fields, the R+F Products, or the public, including, without limitation, disparagement of Rodan + Fields or the R+F Products (as discussed in more detail below). Consultants shall comply with all laws, rules, regulations and governmental requirements applicable to the operation of their Consultantships and performance under this Agreement, including the marketing, promotion and sale of the R+F Products.

In addition, Consultants shall:

- not publish or use any misleading or deceptive advertising material regarding the R+F Products or the Program;
- honor the Customer Satisfaction Guarantee with respect to all R+F Products;
- not make any statements, representations, guarantees or warranties regarding the R+F Products or the Program that are inconsistent with those set forth in the Consultant Agreement and R+F Marketing Materials (whether with regard to prices, quality, performance, standards, grades, contents, style or model, place of origin, availability or otherwise);
- distribute the R+F Products only as shipped by Rodan + Fields, unopened, and with all documentation, packaging and other supplemental materials intact; and
- not alter or modify any R+F Product or packaging or take any action that affects or could affect the appearance, quality, content or performance of any R+F Product, other than as authorized or directed by Rodan + Fields.

6i. Retail Sales Receipts:

In the event of a Product resale conducted directly between a Consultant and a Customer, a Consultant must provide their Customer with two copies of a signed retail sales receipt at the time of the sale. The retail sales receipt sets forth certain Customer protection rights afforded by federal law. A Consultant is required to inform their Customer that they are entitled to cancel any purchase of \$25 or more within three (3) Business Days from the date of the sale

five (5) Business Days for Alaska residents who purchase \$10 or more, fifteen (15) Business Days for North Dakota residents aged 65 or older who purchase \$50 or more and fifteen (15) days after enrollment for Montana Consultants. Consultants must retain copies of their retail sales receipts for a period of two (2) years and furnish them to Rodan + Fields at the Company's request. Rodan + Fields will maintain records documenting the purchases made by Customers through a Consultant's PWS or the R+F Website. Please refer to the Rodan + Fields Order Form located in the Library.

6j. Disparaging Remarks:

Rodan + Fields strives to provide the best products, compensation plan and service in the industry in support of the business for each and every Consultant. Accordingly, Rodan + Fields values constructive comments and input from Consultants. However, by becoming a Consultant for Rodan + Fields, and in exchange for the opportunity to sell R+F Products and sponsor other Consultants for Rodan + Fields, Consultant agrees not to disparage Rodan + Fields in any regard.

Complaints or concerns regarding Rodan + Fields or the R+F Products should be directed to the Sales Support Department at SalesSupport@rodanandfields.com. Complaints or concerns regarding other Consultants should be directed to the Compliance Department at Compliance@rodanandfields.com. Disputes or disagreements between any Consultant and Rodan + Fields shall be resolved through the dispute resolution process set forth in Section 18i.

6k. Professional, Lawful and Ethical Conduct:

Consultants are expected to conduct themselves in a professional, lawful and ethical manner at all times and not to engage in any activity that could damage the Company's good reputation, unlawfully interfere with any other Consultant's Consultantship or otherwise create legal liability for Rodan + Fields or for others who participate in the Program. While it is not possible to provide a comprehensive list of behaviors that fall outside the level of professional, lawful and ethical conduct expected of Consultants, Consultants should recognize that the following forms of misconduct may, without limitation, result in a notice of non-compliance and/or, where appropriate, termination of the Consultant Agreement:

- sexual harassment;
- any activity that advocates, promotes or incites hatred, violence or discrimination in any form;
- fraudulent, misleading or deceptive conduct;
- verbal abuse;
- racial, religious, gender or sexual orientation discrimination, intolerance or abuse;
- unfair criticisms of, or accusations regarding, fellow Consultants or Rodan + Fields, made without a good faith belief in the truth of the matter stated; and failure to cooperate with an investigation conducted by Rodan + Fields, including not responding to emails or phone calls from the Compliance Department, and/or failure

to provide information requested by Rodan + Fields, including but not limited to a valid Social Security Number or Tax ID number.

6l. Reporting Policy Violations:

Consultants who become aware that another Consultant has violated the Consultant Agreement or believe that an employee or representative of Rodan + Fields has engaged in conduct that violates the professional standards of Section 6k above may promptly notify the Rodan + Fields Compliance Department. Details of the incident (such as dates, number of occurrences and persons involved) and any supporting documentation should be included in the report to the extent available. Please use the Consultant Policy Violation or Grievance Report Form available in the Library to report violations and submit the form to Compliance@rodanandfields.com.

6m. Security:

All Consultants must adopt, implement and maintain appropriate administrative, technical and physical safeguards to protect against anticipated threats or hazards to the security of Confidential Information and Customer Data.

These safeguards must be appropriate to the sensitivity of the information. Appropriate safeguards for electronic and paper records may include, but are not limited to: (i) encrypting data before electronically transmitting it; (ii) storing records in a secure location; and (iii) password-protecting computer files and securely shredding paper files containing Confidential Information or Customer Data after transferring information into the Rodan + Fields data systems. Consultants are responsible for maintaining the security of their Password and should choose a unique Password that are difficult for others to guess. Consultants should not share their Password with others and should change their Password, at a minimum, every three (3) months. Should a Consultant suspect their Password has been compromised, they should immediately change the Password. Without limitation of the preceding sentence or the provisions of Section 6r regarding Confidential Information, Consultants must keep Customer Data and other Confidential Information secure from all persons who do not have legitimate business needs to see or use such information. Consultant must ensure they obtain and maintain consent from prospective customers and existing customers before sharing such prospective customers' and existing customers' data with Rodan + Fields. In the case of Customer Data, such business needs must have been disclosed to the Customer and the Customer must have provided their informed consent to them. If Consultants dispose of any paper or electronic record containing Customer Data and other Confidential Information, Consultants shall do so by taking all reasonable steps to destroy the information in a manner that preserves its security, such as by: (i) shredding; (ii) permanently erasing and deleting; or (iii) otherwise modifying the Customer Data and other Confidential Information in those records to make it unreadable, non-reconstructible and indecipherable through any means. Upon request, Consultant will certify to Rodan + Fields that all forms of the requested Confidential Information and Customer Data have been destroyed and will describe any exceptions.

6n. Reporting Security Breaches:

Consultants must comply with all applicable privacy and data security laws, including any security breach notification laws. Without limitation of the preceding sentence, in the event of an actual or suspected Security Breach affecting Rodan + Fields' data, Customer Data, the applicable Consultants shall first promptly notify the Rodan + Fields Compliance Department in writing after becoming aware of such Security Breach, and if instructed by the R+F Legal or Compliance Department, notify the applicable Customers. Any such notification to Customers shall be made in compliance with the applicable law and shall specify the following: (i) the extent to which Customer Data was or was suspected to be disclosed or compromised; (ii) the circumstances of the Security Breach; (iii) the date or period of time on which it occurred; (iv) a description of the information affected; (v) a description of the steps taken to reduce the risk of harm from the Security Breach; (vi) contact information for a person able to answer questions regarding the Security Breach; (vii) any other information required by the applicable law; and (viii) in the case of a notice to a privacy commissioner or other regulatory body, an assessment of the risk of harm to any affected persons and an estimate of the number of persons affected. Consultants shall promptly comply with all applicable information Security Breach disclosure laws. Consultants, at their expense, shall cooperate with Rodan + Fields, any applicable privacy commissioner or other regulatory body and the applicable Customers and use their best efforts to mitigate any potential damage caused by a breach of their obligations under the Consultant Agreement or any law applicable to Customer Data, including by sending notice to the affected individuals, applicable agencies and consumer reporting agencies, if such notification is required by law or by Rodan + Fields in its sole discretion.

6o. Venues:

6o (i): Commercial Outlets

Rodan + Fields is a person-to-person marketing company and as such does not allow the R+F Products to be sold or displayed in, or otherwise distributed through, any permanent retail establishment open or available to the general public or otherwise available to "walk-in" Customers. This includes department stores, health food stores, beauty supply outlets, schools, supermarkets, pharmacies, mall booths, kiosks, discount establishments, swap meets, drugstores, flea markets, specialty gift shops or any other business or commercial establishment that is open or available to the general public. No Consultant shall: (i) sell, display or distribute any R+F Products in or through any such establishment; (ii) sell any R+F Products to any Customer that the Consultant knows or has reason to believe may resell such R+F Products in or through any such establishment; or (iii) solicit or encourage any third party to do any of the foregoing. For rules regarding sales and marketing on the Internet, see Section 11.

6o (ii): Personal Service Facilities

Subject to the requirements set forth in this Section, R+F Products may be sold or displayed in personal service facilities if owned and operated by a Consultant or with the permission of the owner of the facility. Personal service facilities may include but are not limited to the following: (i) offices and other areas located in private clubs that are not accessible to or in

view of the general public; (ii) the private offices of professionals who operate by appointment only (e.g., doctors, dentists, chiropractors, etc.); and (iii) beauty salons or spas that operate by appointment only. Rodan + Fields allows the sales of R+F Products in such personal service facilities, consistent with local laws and regulations, so long as there are no signs, flyers, advertisements or products visible from outside of the personal service facility. Any owner of any such personal service facility where the R+F Products are sold or displayed must be a Consultant in good standing and sign a special agreement confirming that their business complies with the foregoing requirements. Furthermore, each Consultant with a personal service facility is responsible for the actions of their non-Consultant employees and independent contractors. If any such non-Consultant employee or independent contractor engages in any activity which, if performed by the Consultant, would violate the Consultant Agreement, including a failure to adhere to these Policies and Procedures, such activity will be deemed a breach by the Consultant and Rodan + Fields may terminate the Consultant Agreement and/or seek other appropriate remedies against such Consultant as detailed in the Consultant Agreement. In appropriate circumstances, Rodan + Fields may elect to first provide notice to the Consultant allowing her or him time to cure the breach prior to taking further action. The Personal Service Facility Approval Form is located in the Library.

6o (iii): Events

Consultants may display and/or sell the R+F Products and Rodan + Fields authorized signage at events that are limited in duration with an environment that is appropriate for promoting Rodan + Fields' brand integrity. Events consistent with Rodan + Fields' brand integrity may include trade shows, professional expositions, state fairs, health fairs, conventions and bridal shows. On the other hand, swap meets, garage sales, flea markets, farmers' markets, and other similar events are not conducive to Rodan + Fields' professional image. Advance approval from Rodan + Fields is not required to attend an event, but Consultants must use their best judgment in deciding whether a particular event is an appropriate forum to promote the R+F Products or the Program.

Consultants are responsible for registering to attend an event and confirming with the event manager that all event specific requirements are met. For example, some promoters have a policy that allows only one vendor for a product brand to have a display at a function or may have other policies that prohibit a vendor from participating. It is therefore the Consultant's responsibility to ensure that the promoter will allow them to display before making a deposit with the promoter. While representing Rodan + Fields as Consultants at an event, Consultants must comply with the Policies and Procedures and are responsible for the actions of any non-Consultant individuals who work the event to promote Rodan + Fields. Consultants understand and agree that they must defend and hold Rodan + Fields and its agents, stockholders, members, employees, directors, officers and attorneys harmless from any claims by third parties related to their participation in events not sponsored by Rodan + Fields.

If a Consultant plays music at their event, or includes music in any publicly shared recording, it is the responsibility of such Consultant to obtain a proper license to play such song(s) with performing rights organizations such as ASCAP, BMI, GMR or SESAC or to obtain a business account from a streaming service such as Pandora.

Please note that Rodan + Fields does not offer liability insurance and will not provide the Company Tax Identification Number for any event, and will not consign R+F Products, R+F Marketing Materials, R+F Business Supplies or other types of merchandise or materials for display, use or sale at any event.

6o (iv): Other

Other than sales through the R+F Website, a Consultant's Personal Website (PWS), or via the events as described above, sales must be made through personal one-on-one marketing to people with whom Consultants have established a business or personal relationship. The term "business or personal relationship" means an existing or developed relationship formed by a voluntary two-way communication between a Consultant and a person on the basis of: (i) an inquiry, application, purchase or transaction by the person regarding Products offered by the Consultant; or (ii) a personal or familial relationship whose relationship has not been previously terminated by either party.

Rodan + Fields discourages Consultants from engaging in door-to-door solicitation for sales. Should a Consultant conduct business in this manner, they must ensure compliance with applicable state or local laws regarding door-to-door sales or solicitation. Certain state or local laws impose restrictions on the time of day during which such solicitation may take place, and/or require door-to-door sellers to register with the state or local authorities or obtain a government-issued identification card. These jurisdictions may also impose fines for non-compliance.

6p. Account Maintenance:

Each Consultant is solely responsible for maintaining their account with Rodan + Fields and remitting all payments due in a timely manner. Should a Consultant's account go into collection, the Consultant will be responsible for (and will indemnify and hold harmless Rodan + Fields from and against) all costs and fees incurred by Rodan + Fields in the collection of the amount due. The Consultant agrees to allow Rodan + Fields to deduct any amount due and any such costs and fees from the Consultant's account and/or any Commissions, Achievement Rewards or other amounts due to the Consultant.

6q. Sales Tax:

In order to remove the sales tax administrative burden on our Consultants, Rodan + Fields takes the "final retailer" position and effectively collects, files and remits the tax to the appropriate state and local taxing agency on behalf of each Consultant. Rodan + Fields collects sales tax based on the suggested retail price of R+F Products which are generally regarded as items intended to be resold, unless otherwise exempt. Tax on Products and services, which are generally not intended to be resold (i.e. Business Starter Packs, R+F Business Supplies, Rodan + Fields Materials, etc.), will be based on their purchase price. However, if any such items are resold by the Consultant for a higher price, it shall be the Consultant's responsibility to collect and remit sales tax to the appropriate state and local tax agency.

The rate of tax is based on the place of the sales transaction, which is generally considered

the applicable "Ship To" address.

If a Consultant has submitted, and Rodan + Fields has accepted, a current sales tax exemption certificate, Rodan + Fields will return the sales tax on the Consultant's direct purchase of R+F Products and services and it shall be the Consultant's responsibility to collect and remit sales tax to the appropriate state and local tax agency. (See Registration of a Resale Certificate form in the Library for more details.)

6r. Confidential Information, Non-Solicitation, and other Business Restrictions

Rodan + Fields' relationship with its Consultant is a valuable asset to the company. Rodan + Fields provides extensive support to aid its Consultants in achieving their goals, including access to Rodan + Fields' sensitive, confidential and proprietary information and trade secrets. At the same time, Rodan + Fields seeks to protect this information as well as its goodwill.

Therefore, Rodan + Fields and Consultant agree as follows:

- A Consultant shall not disclose to any third-party Confidential Information (as defined in Appendix B). All such Confidential Information is the property of Rodan + Fields and is not owned by Rodan + Fields Consultants. A Consultant shall use the same degree of care to protect Confidential Information that they use to protect their own sensitive and proprietary information.

Both during the term of their Consultant Agreement and indefinitely thereafter, a Consultant shall:

- use Confidential Information only for the purposes of performing their obligations or exercising rights under their respective Consultant Agreement; and
- limit access to Confidential Information to only those persons who have a legitimate need to know such information in the performance of Consultant's rights and obligations under their respective Consultant Agreement. Each person who is given access to Confidential Information shall be bound by a confidentiality obligation at least equivalent to the confidentiality obligations of each Consultant under their respective Consultant Agreement. A Consultant shall be responsible for the acts and omissions of their respective employees, contractors and agents with respect to such confidentiality obligations. Notwithstanding the foregoing, a Consultant may disclose Confidential Information to the extent they are legally compelled to do so, provided, however, that prior to any such compelled disclosure, the Consultant notifies Rodan + Fields and fully cooperates with Rodan + Fields in protecting against or limiting the disclosure of Confidential Information.

Consultant agrees that they will receive significant benefits from Rodan + Fields including the opportunity to participate in training on the R+F Products, access to support systems and other benefits of the Rodan + Fields network. In consideration for the benefit of Rodan +

Fields' investment in the development of its Consultants, each Consultant, to the fullest extent allowed by applicable law, agrees that the following restrictions apply to Consultant:

- To the fullest extent permitted by law, during the term of their Consultant Agreement and for a period of six (6) months after the termination of their Consultant Agreement, Consultant will not, directly or indirectly, solicit any Rodan + Fields Consultant or any Rodan + Fields employee for engagement as an employee, or as an independent consultant, contractor or distributor of any direct selling, network marketing, or social selling business, nor will Consultant solicit any Rodan + Fields employee to become a Consultant of Rodan + Fields during this period. For purposes of this paragraph, "Solicit" includes but is not limited to: (i) communicating information or offering to provide information about another direct selling, network marketing, or social selling business opportunity to a Rodan + Fields Consultant or Rodan + Fields employee; (ii) posting or messaging information about another direct selling, network marketing, or social selling business opportunity on any social media site (Facebook, Instagram, Twitter, etc.) utilized* by Consultant to promote their Rodan + Fields business where "business" is inclusive of information shared about the products, services, and/or business opportunity of Rodan + Fields; and (iii) tagging any Rodan + Fields Consultant or Rodan + Fields employee with a post on any social media site that provides information or offers to provide information about another direct selling or network marketing business opportunity.

****In reference to (ii) above, deleting past Rodan + Fields content from your social media page in order to circumvent this policy is not permitted.***

In furtherance of this provision, a Consultant shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Consultants relating to the Consultant's other direct selling, network marketing, or social selling business opportunity. Violation of this provision shall constitute a violation of the Non-Solicitation Policy. Violation of Section 6r may result in immediate termination of the violating Consultant's Agreement.

- In exchange for being compensated, publicly recognized and otherwise promoted by the Company as a leader of Rodan + Fields, during the term of their Consultant Agreement, a Consultant who has achieved Level V Executive Consultant or above will not be eligible for certain rewards or incentives outside of the Compensation Plan, if that Consultant also is promoting, marketing or selling the products, services or programs offered by any other direct selling business, regardless of whether the products, services or programs are related to skincare or haircare or whether they compete with Rodan + Fields. Level V Executive Consultants or above who promote, market or sell the products, services or programs offered by any other direct selling, network marketing, or social selling business may not be eligible for trips, training, programs, access to early product releases, global expansion, recognition, Corporate sponsored opportunities, and/or other similar remedial measures.

- Consultants at all levels are obligated to notify Rodan + Fields if they are enrolled as a Consultant, Distributor, Affiliate, Ambassador, etc. for another Direct Selling company by sending an email to Compliance@rodanandfields.com.
- During the term of their Consultant Agreement, in order to avoid legal liability related to promotion of sales aids, Consultant may not sell training materials or sales aids including published books, eBooks, videos, or other sales aids including mobile applications to their Downline or other Consultants.
- During the term of their Consultant Agreement, Consultant will not use Confidential Information for mass solicitation of charitable contributions other than those related to the communication of company sponsored Rodan & Fields Prescription for Change Program. When partnering with a charitable organization in connection with a giveaway, donation, sale of or proceeds from the sale of R+F Products, Consultant must indicate in the communication that the solicitation of charitable contributions is not promoted or sponsored by Rodan + Fields. Consultants who sponsor or promote such charitable activities must make it clear that participation is voluntary and may not exert undue influence or pressure on others to participate.

Consultant warrants that to the best of Consultant's knowledge there is no other existing contract or duty on Consultant's part that conflicts with or is inconsistent with this Agreement. Consultant agrees to indemnify and hold harmless Company from any and all losses and liabilities incurred or suffered by Company by reason of the alleged breach by Consultant of any services agreement between Consultant and any third party. The determination of whether an obligation is inconsistent or incompatible with Consultant's obligations under the Consultant Agreement shall be made at the reasonable discretion of Rodan + Fields.

Consultants and the Company recognize that because network marketing is conducted through networks of independent contractors, and business is commonly conducted via the Internet and telephone, an effort to narrowly limit the geographic scope of the foregoing provisions would render them wholly ineffective. Therefore, Consultants and Rodan + Fields agree that the provisions of this Section shall apply to the United States, the District of Columbia, Puerto Rico, Guam and all Authorized Countries.

Consultant further agrees that the provisions contained in this Section are reasonable and necessary to protect the legitimate interests of Rodan + Fields and that Rodan + Fields would not have accepted the Consultant's Consultant Application in the absence of the Consultant's agreement to these provisions. Consultant agrees that the Consultant's breach or threatened breach of such provisions would cause Rodan + Fields irreparable harm and significant injury, the amount of which would be extremely difficult to estimate and ascertain and thus making any remedy at law or in damages inadequate. Each Consultant therefore agrees that Rodan + Fields shall be entitled, without the necessity of posting a bond or security, to the issuance of injunctive relief by any court or arbitrator of competent jurisdiction as provided in Section 18i, enjoining any breach or threatened breach of the above provisions and for any other relief such court deems appropriate. The rights granted to Rodan + Fields in this Section are in addition to any other remedy available to Rodan + Fields at law or in equity.

6s. Defend Trade Secrets Act:

Notwithstanding anything in these Policies and Procedures or the Consultant Agreement, pursuant to the 2016 Defend Trade Secrets Act, 18 U.S.C. § 1833(b), a Consultant will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of Rodan + Fields that (a) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to the Consultant's attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If a Consultant files a lawsuit for retaliation for reporting a suspected violation of law, they may disclose the trade secret to their attorney and use the trade secret information in the court proceeding, but only if the Consultant (I) files any document containing the trade secret under seal, and (II) does not disclose the trade secret, except pursuant to court order. Nothing herein or in the Consultant Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create any liability for disclosures of trade secrets that are expressly allowed by such section. Further, subject to the foregoing, nothing in any agreement that a Consultant has with Rodan + Fields shall prohibit or restrict the Consultant from making any voluntary disclosure of information or documents related to potential violations of law to any governmental agency or legislative body, or any self-regulatory organization without advance notice to Rodan + Fields.

SECTION 7: SPONSORING AND TRAINING

7a. Sponsoring Other Consultants:

Consultants may sponsor other persons to become Consultants in any jurisdiction where Rodan + Fields is authorized to do business. However, Consultants earn Commissions and Achievement Rewards in the Program only based on the sale of the R+F Products, not from sponsoring other Consultants. The most current version of the Consultant Agreement can always be found on www.rodanandfields.com and in the Library. Once the potential Consultants have read and understood the Consultant Agreement, they may complete the Consultant Application with the Sponsors' full name and Identification Number.

7b. Responsibilities of Sponsors:

Sponsors must always present the R+F Products and the Program to others in a manner that complies with the Consultant Agreement, including the requirements of Section 6 of these Policies and Procedures regarding business ethics and practices. In order to comply with various legal requirements, Sponsors must:

- provide prospective Consultants with a copy of, or access to, the current Policies and Procedures (found on rodanandfields.com) prior to submission of a new Consultant Application;
- ensure that prospective Consultants complete and submit the Consultant Application themselves. If extraordinary circumstances prevent a prospective Consultant from submitting the online Consultant Application, the sponsoring Consultant may do so for the prospective Consultant so long as the prospective

Consultant completes and signs a hard copy of the Consultant Application in advance, is provided access to the Policies and Procedures and has the opportunity to review the Consultant Application Terms and Conditions before enrolling in which case the signed Consultant Application must be sent to the Sales Support Department, Rodan + Fields, 3001 Bishop Drive, Suite 450, San Ramon, CA, 94583. Additionally, the Sponsor must advise the new Consultant to change their password as soon as possible; and:

- explain to prospective Consultants that the only required purchase to become a Consultant is a Business Starter Pack;
- explain to prospective Consultants that the Consultant Replenishment Program (CRP) and PULSE Pro are optional, subscription programs; and
- educate Downline Consultants about, and answer questions regarding, the Policies and Procedures and direct them to the Compliance Department for additional assistance.

Ensure Preferred Customers complete the enrollment process themselves so that the prospective customer reviews and accepts the PC Perks Terms and Conditions. If extraordinary circumstances prevent a prospective Preferred Customer from enrolling online, the sponsoring Consultant may do so for the prospective Preferred Customer so long as the Consultant reviews the PC Perks Terms and Conditions with the customer, including the fact that the customer is signing up for a flexible autoship program, and the Sponsoring Consultant must provide the new Preferred Customer with a copy of the PC Perks Terms and Conditions. Copies of the PC Perks Terms & Conditions can be found on www.rodanandfields.com and in the Library.

Sponsors are not required to maintain any inventory of Products or business supplies for new Consultants. Refer to Section 5b.

7c. Applicant Rights and Responsibilities:

It is a new Consultant's responsibility to understand their rights and obligations as incorporated into the Consultant Agreement. Part of this responsibility includes performing due diligence to understand the Program and choose a Sponsor. For reasons of sponsoring ethics, Rodan + Fields strongly encourages any new Consultant to enroll in the Program under the Sponsor who introduced such Applicant to the Program. Every Consultant, however, ultimately has the right to choose who their Sponsor will be. As such, if an individual asks to be registered under another Sponsor prior to submitting the Consultant Application, Rodan + Fields reserves the right to honor such request. Notwithstanding the foregoing, if a Preferred Customer desires to become a Consultant, they must either: (i) apply as a Consultant under the Consultant with whom they originally enrolled as a Preferred Customer; or (ii) close their account and wait a total of ninety (90) days before enrolling as a Consultant with a different Sponsor. For additional information regarding Preferred Customers, see the PC Perks Terms and Conditions located in the Library.

If two Consultants both claim to be the Sponsor of an Applicant, Rodan + Fields shall regard

the first Consultant Application received by Rodan + Fields as the controlling Consultant Application and shall designate the Consultant listed as the Sponsor on such Consultant Application as the Applicant's Sponsor.

Resolving disputes between Consultants regarding claims of Sponsorship of another Consultant is extremely difficult, particularly when a Downline organization is implicated. Rodan + Fields reserves the sole and exclusive right to determine the final disposition of such disputes. Therefore, CONSULTANT ASSUMES THE RISK THAT MULTIPLE CONSULTANTS MAY CLAIM SPONSORSHIP OF A DOWNLINE ORGANIZATION AND THAT RODAN + FIELDS MAY RESOLVE SUCH DISPUTE IN ITS SOLE DISCRETION IN FAVOR OF ANOTHER CONSULTANT. CONSULTANT UNDERSTANDS AND AGREES THAT TO THE EXTENT PERMITTED BY LAW NEITHER RODAN + FIELDS NOR ITS OFFICERS, MEMBERS, DIRECTORS, OWNERS, EMPLOYEES OR AGENTS SHALL BE HELD RESPONSIBLE FOR ANY DAMAGES THAT RELATE TO OR ARISE FROM THE COMPANY'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT IS IMPLICATED IN A DISPUTE BETWEEN CONSULTANTS REGARDING CLAIMS OF SPONSORSHIP, AND CONSULTANT WAIVES ANY AND ALL CLAIMS WITH RESPECT THERETO.

7d. Line Switching:

Each Consultant may have only one Sponsor and no Consultant shall sponsor or attempt to sponsor any person or Business Entity that has already submitted a Consultant Applicant or Business Entity Registration Form, as applicable, to Rodan + Fields or that has had a Consultant Agreement terminated within the preceding six (6) months (or any Business Entity that is controlled by such a person or Business Entity). This practice, known as "Line Switching," is strictly prohibited, as is any attempt to circumvent the prohibition on Line Switching through the use of pseudonyms or assumed names, a spouse's or relative's name, trade names, DBAs or Business Entities. A Consultant is not permitted to encourage, offer or assist any other Consultant to change Sponsors or Uplines. Under no circumstance shall any Consultant offer or provide any financial or other consideration or incentive to another Consultant in exchange for such other Consultant's agreement to terminate their existing Consultant Agreement and re-apply under another Sponsor. Once a Consultant is sponsored, Rodan + Fields requires that the relationship between the Consultant and their Sponsor be maintained and protected.

7d (i): Consultant to Consultant under different Sponsor

A Consultant wishing to change Sponsors may do so only if they: (i) terminate their applicable Consultant Agreement by written notice to Rodan + Fields as provided herein; (ii) do not participate in the Program in any capacity for six (6) consecutive months after the effective date of such termination; and (iii) re-apply to become a new Consultant after such six (6) month period and is reaccepted by Rodan + Fields in accordance with Section 3a.

7d (ii): Consultant re-enrollment within 180 days with same Sponsor

In the case that a Consultant has voluntarily terminated their Consultant Agreement and chooses to re-enroll as a Rodan + Fields Consultant within one hundred eighty (180) days of such voluntary termination, such Consultant's Sponsor, upon re-enrollment, shall be their

Enrollment Sponsor, if such person is still a Rodan + Fields Consultant. In the case that the re-enrolling Consultant's Enrollment Sponsor is not a Rodan + Fields Consultant at the time of re-enrollment, then the re-enrolling Consultant's Performance Sponsor shall be their new Sponsor at the time of re-enrollment. The same rules apply for a Consultant who is involuntarily terminated and is later approved by Rodan + Fields to re-enroll. See Appendix A, Compensation Plan, for an explanation of Enrollment Sponsor and Performance Sponsor.

In cases wherein a Consultant enrollment has occurred due to mistake, inadvertence or error, the new Consultant must notify the Sales Support Department at SalesSupport@rodanandfields.com within three (3) Business Days of the enrollment to request a correction of the original enrollment Sponsor.

7d (iii): PC to PC under different Sponsor

If a Consultant enrolls a Preferred Customer through PC Perks, that Consultant will be deemed the Preferred Customer's Sponsor. If the Preferred Customer wishes to change their Sponsor, they must terminate their PC Perks account and wait at least thirty (30) days from the date of termination before re-enrolling as a Preferred Customer under a different Sponsor.

7d (iv): PC to Consultant under different Sponsor

If a Preferred Customer wishes to become a Consultant under a new Sponsor, they must terminate the PC account and wait ninety (90) days to enroll as a Consultant under the new Sponsor. However, if both the current and proposed new Sponsor, as well as the PC, all sign an agreement (which can be obtained by emailing Compliance@rodanandfields.com) the wait time may be waived.

7d (v): Consultant to PC under different Sponsor

If a Consultant wishes to end their Consultant Agreement and enroll as a Preferred Customer under a different Sponsor, they must terminate the Consultant account and wait ninety (90) days, unless there is written agreement (which can be obtained by emailing Compliance@rodanandfields.com) between the current and proposed new Sponsor, as well as the Consultant, in which case the wait time to enroll as a Preferred Customer may be waived. The Consultant Agreement will be terminated and the account will be closed. The Preferred Customer who was previously a Consultant under a different Sponsor must wait an additional ninety (90) days from the PC enrollment date to re-enroll as a Consultant under the new Sponsor unless six (6) months have passed from the termination date of the Consultant Agreement.

7d (vi): PC to PC under different Sponsor with subsequent upgrade to Consultant

If a PC has terminated their account and waited the appropriate thirty (30)-days to switch to being a PC under a new Sponsor and now wants to become a Consultant under that new Sponsor, the PC must wait an additional sixty (60) days to equate to the full ninety (90) day wait period that is required for PCs to become a Consultant under a new Sponsor.

SECTION 8: ORDERING PROCEDURES

8a. General:

To protect the Company's brand integrity and intellectual property and to help ensure compliance with legal requirements regarding disclosures and claims, except as provided in Section 11e, Consultants must purchase all R+F Products, R+F Marketing Materials (including business cards) and R+F Business Supplies from Rodan + Fields or its approved third-party suppliers. All orders are subject to acceptance by Rodan + Fields or Rodan + Fields' applicable third-party suppliers. Orders for R+F Products may be placed via the R+F Website, a Consultant's PWS or by telephone.

8b. Commission Period End:

All orders are credited to a Consultant's account for the Commission Period in which the order was placed. In order for a Consultant to be credited for an order in a particular month, the payment must be processed by 11:59 p.m. Pacific Time on the last day of the month. For all orders processed via the R+F Website, a Consultant's PWS or by telephone, the cut-off for receipt of orders to be included in Commission and Achievement Rewards calculations for any given month is 11:59 p.m. Pacific Time on the last day of that month. Consultants may monitor their Sales Volume via PULSE by Penny and are responsible for reporting any issues or inaccuracies within twenty- four (24) hours after the last day of the month. Rodan + Fields shall not be liable for incorrect, incomplete, lost or mailed orders.

8c. Placing Orders Under Another Identification Number:

Consultants must place all orders using their own Identification Numbers and credit cards. Placement of an order by a Consultant using another Consultant's Identification Number or using another individual's, Customer's, or Consultant's credit card is strictly prohibited.

8d. Forms of Payment:

In order to simplify the payment process, facilitate the shipment of orders and maintain accurate Consultant account records, Rodan + Fields requires payment using a major credit card and other forms of accepted payment. See Authorized Country's website for details surrounding that country's accepted methods of payment. Rodan + Fields will not accept personal checks, money orders or cash.

8e. Shipping Charges:

Shipping charges will be applied on applicable orders and will be automatically included as part of the "Shopping Cart" order entry process. Shipping charges for autoship orders can be found by logging into your account on www.rodanandfields.com. For more information on shipping information, see the Satisfaction Guarantee Page on www.rodanandfields.com.

SECTION 9: SHIPMENTS

9a. General:

After Rodan + Fields has accepted and processed an order, it will use reasonable efforts to ship the order to the address specified in the order using a carrier chosen by Rodan + Fields. Risk of loss or damage will pass to the ordering Consultant upon the carrier's confirmation of delivery to the specified address. Orders are shipped on Business Days only. Consultants and their Customers should allow up to two (2) Business Days for order processing and an additional five to seven (5-7) Business Days for delivery within the continental U.S. For information on shipping to Alaska, Hawaii, Puerto Rico or Guam, see section 9d. For shipping information, processing and delivery times in a particular country, see that Authorized Country's website. Ground orders can be shipped to a street address within the 50 United States, the District of Columbia, Puerto Rico, Guam, and in most cases Military APO/FPO/DPO or Military P.O. Box addresses. Please note delivery to Military APO/FPO/DPO and Military P.O. Box addresses can, in some instances, include additional business days to complete delivery due to USPS handling and routing which is outside of Rodan + Fields' control. Rodan + Fields will use reasonable efforts to fill Consultants' and Customers' orders, but will not be liable for any damages arising from any failure to fill orders or any delay in delivery. Rodan + Fields reserves the right to cancel any order where the address has been changed after the order is placed.

Please note that shipments to freight forwarders are strictly prohibited. If Rodan + Fields receives a request to send an order to a freight forwarder, the order will be cancelled. In the event that the order goes through and Rodan + Fields later finds out that there was an attempt to send product to a freight forwarder, the Consultant Agreement will be subject to termination.

9b. Special Handling:

Some R+F Products require special handling as specified by federal, state and local regulations governing the shipping of these items. The method of shipment for these items is dictated by these regulations. Rodan + Fields complies with these regulations and therefore the shipment of some Products to certain locations may not be possible. Please contact the Sales Support Department at SalesSupport@rodanandfields.com for additional shipping information.

9c. Shipment to APO/FPO/DPO/PO Boxes:

Most R+F Products may be shipped to Military APO/FPO/DPO or Military P.O. Box addresses, but some restrictions may apply. Orders being sent to Military P.O. Boxes or Military APO/FPO/DPO addresses must be shipped via United States Postal Service and cannot be shipped via overnight or second day service. Consultants should inquire as to whether they need to notify and obtain permission from the base commander in charge, and if so, must do so prior to sending and/or accepting shipment on a military base.

9d. Shipments to Alaska, Hawaii, Puerto Rico or Guam

Most R+F Products can be shipped to Alaska, Hawaii, Puerto Rico and Guam but some restrictions apply and additional shipping charges may apply. Priority shipping methods (overnight or second day service) are not available for certain locations in Alaska or Hawaii.

9e. Order Tracking:

Following placement of an order with Rodan + Fields, a tracking number will generally be provided via a shipment confirmation email within five (5) Business Days. A Consultant (or their Customer for whom the order was placed) may contact the Sales Support Department at SalesSupport@rodanandfields.com. If the email is not received with order-tracking information. Once an order has been shipped, the tracking information will be made available via PULSE by Penny and via the Order History page on the R+F Website.

9f. Non-Deliverable Orders:

In some cases, an order may be returned to Rodan + Fields if the carrier is unable to deliver it to the specified shipping address.

This may happen because:

- the Consultant or Customer did not accept the order when it was delivered by the carrier;
- the Consultant or Customer was unavailable to accept delivery to an address or in an area that dictates signature-required for deliver; or
- the Consultant or Customer provided invalid or incorrect shipping information.

When this occurs, Rodan + Fields will refund the order less the cost of shipping and neither the Consultant nor the Consultant's Upline will receive any credit for the order. If the order has already been credited to the Consultant's Sales Volume, the credit (and any associated awards, Commissions or Achievement Rewards) will be cancelled. In cases where the ordered item included a Business Starter Pack, the order cancellation will result in termination of the new Consultant's account.

9g. Cancelled Orders:

Consultants understand that once orders have been placed they cannot be cancelled. Rodan + Fields will use reasonable efforts to refund an order placed in error. Since orders cannot be cancelled, a Consultant must follow the procedure applicable to Returns under the Customer Satisfaction Guarantee as described in Section 10c.

Replacements or refunds for such orders are also handled in the same manner as described in Section 10c.

9h. Missing Items:

When an item is missing from an order, the Consultant or Customer is requested to review their order details online and contact the Sales Support Department at SalesSupport@rodanandfields.com. If Rodan + Fields determines that the item was not shipped with the original order, it will use reasonable efforts to ship the missing item to the address specified by the Consultant or Customer at no charge within three to five (3-5) Business Days. Out-of-stock items may require a longer period. For additional information regarding out-of-stock items, refer to Section 9i.

9i. Out-of-Stock Items:

Rodan + Fields' inventory control procedures are intended to ensure that shortages of R+F Products rarely occur. However, should an item not be available, Consultants will have the option of waiting for the backordered item to be re-stocked or cancelling the order. Rodan + Fields makes every effort to ensure that Consultants receive the associated volume for an out-of-stock item when processing backorders. Consultants who opt to cancel an order will be issued a prompt refund and will not receive the Sales Volume associated with the order.

9j. Discontinued Items:

Rodan + Fields may at any time discontinue the manufacture and/or sale of any R+F Products, or make any changes in their respective prices, quality, performance, standards, grades, contents, place of origin or otherwise, in its sole discretion. Rodan + Fields will have no liability to any Consultant based on any such discontinuation or change. When an item is discontinued, orders will not be accepted for such items. Rodan + Fields will use reasonable efforts to notify Consultants of the date of discontinuance.

SECTION 10: RETURN PROCEDURES

10a. General:

All Customers and Consultants who wish to return R+F Products to Rodan + Fields for any reason must log in to their Rodan + Fields account and complete a Return Authorization Form (RA) for those items they wish to return. Only items for which a refund is available pursuant to Section 10 should be returned to Rodan + Fields. Items returned for which no refund is available will be discarded. For information on how return adjustments may affect qualifications, Commissions and Achievement Rewards, refer to Section 12c.

Rodan + Fields regularly audits return behaviors and reserves the right to review and terminate any Consultant Agreement for excessive or improper return activity.

10b. Returns of Defective or Damaged Products:

For any items that were defective at the time that Rodan + Fields delivered them to the carrier, Rodan + Fields will, at the option of the Consultant or Customer: (i) replace and ship replacements for the defective items to the Consultant or applicable Customer at no

additional charge if replacements are available; or (ii) refund the amounts paid for the items by crediting 100% of the purchase price, sales tax, and shipping charges to the credit card used to make the purchase. Rodan + Fields reserves the right to arrange a product pick up for defective products or for those Rodan + Fields wishes to examine, at no charge to the purchaser at its discretion. The determination of whether the Product was defective at the time of shipment shall be made by Rodan + Fields in its sole discretion.

10c. Returns Under the Customer Satisfaction Guarantee:

10c (i): Purchases made through the R+F Website or PWS

If for any reason a Customer or Consultant is not completely satisfied with any R+F Product, they may return the unused portion of the Product within sixty (60) days from the date of order for a 100% refund of the amount paid for the product (including sales tax but excluding shipping charges) on the credit card used to make the purchase.

10c (ii): Resale between a Consultant and a Customer

In the event of a Product resale conducted directly between a Consultant and a Customer a Consultant bears the responsibility of honoring the sixty (60) day Customer Satisfaction Guarantee. Two copies of a retail sales receipt must be provided to the Customer in order for the resale to be covered under the Customer Satisfaction Guarantee. (For additional information on Retail Sales Receipts, refer to Section 6i.) The cost to return ship the R+F Products shall be borne by the Customer or Consultant. The Customer or Consultant may place a separate order for replacement Products if desired.

10c (iii): Returns of Business Starter Packs

Business Starter Packs returned within sixty (60) days of purchase are refundable under the Customer Satisfaction Guarantee only if returned with all components of the Business Starter Pack included. No refunds will be issued for a partial return from a Business Starter Pack. Additionally, the return of a Business Starter Pack will be considered a termination of the Consultant Agreement. For additional information on Business Starter Packs, refer to Sections 5a, 10d and 10e.

10d. Return of Unsold Inventory by a Terminating Consultant:

In addition to a potential return under the sixty (60) day Customer Satisfaction Guarantee, a terminating Consultant may return unsold R+F Products and/or Business Starter Packs that they personally purchased from Rodan + Fields after sixty (60) days and up to one year* from date of purchase for a refund if they do not wish to sell or use the items and the items are resalable (see Section 10e below). Upon Rodan + Fields' receipt of the returned Products, the Company will refund 100% of the original purchase price of the resalable items. The refund will be credited to the same credit card used for the original order or by such other method as determined by Rodan + Fields.

Consultants who voluntarily terminate must submit a properly completed and signed Termination Notice Form to the Sales Support Department at SalesSupport@rodanandfields.com which will be effective when received and processed by Rodan + Fields. (Please allow seven to ten (7-10) Business Days for processing once the

termination request has been received.) Return of a Business Starter Pack will be considered a termination of the Consultant Agreement. If a Consultant has received reimbursement from Rodan + Fields Corporate for a Business Starter Pack through any type of incentive program, they will not be eligible for a refund upon termination.

*Consultants residing in Maryland, Wyoming, Massachusetts and Puerto Rico may exceed the one (1) year repurchase period, so long as the above-mentioned criteria is met.

10e. Resalable Items:

R+F Products are "resalable" only if they meet all of the following requirements:

- the items are unopened and unused;
- the packaging and labeling are current and have not been altered or damaged;
- the items have a current shelf life;
- the items and their packaging are in such condition that it is commercially reasonable within the trade to sell the items at full price; the items, at the time of purchase, are not identified as non-returnable, discontinued, expired or seasonal items; and
- Business Starter Packs must meet all of the above requirements and must also have all components of the Pack included in the return.

10f. Items Purchased from Approved Third-Party Suppliers:

R+F Marketing Materials, R+F Business Supplies and other items purchased from approved third-party suppliers are not supplied by Rodan + Fields, and Rodan + Fields cannot accept returns of any such items.

SECTION 11: ADVERTISING AND USE OF R+F TRADEMARKS AND OTHER R+F CONTENT

11a. General:

The R+F Trademarks and R+F Content represent Rodan + Fields' quality, integrity and service, and are valuable business assets that support a successful Rodan + Fields Independent Consultant Business. The R+F Trademarks, when properly used, lend strength, professionalism, and credibility to Consultantships. Accordingly, Rodan + Fields and Consultants have a mutual interest in protecting the integrity of the R+F Trademarks. For this reason, Consultants must use the Trademarks and R+F Content only as permitted by Section 11. Any content or trademark visible to the public must be approved R+F Trademarks and R+F Content made available by the Company. The R+F Trademarks and R+F Content are defined in Appendix B.

11b. Trademark Ownership:

Rodan + Fields is the sole and exclusive owner of all right, title and interest in the R+F Trademarks and R+F Content, including all related intellectual property and proprietary rights,

subject only to the specific licenses granted to Consultants in Section 11. Except as expressly set forth in this Section, Consultants shall not acquire or claim any rights in any R+F Trademarks or R+F Content. No Consultant's use of any R+F Trademark or R+F Content shall give the Consultant any right, title or interest in or to the R+F Trademark or R+F Content and all such use and associated goodwill will inure solely to the benefit of Rodan + Fields.

11c. License:

Subject to full compliance with the terms and conditions of the Consultant Agreement and this Section 11, Rodan + Fields grants each Consultant a non-transferable, non-exclusive right during the term of the Consultant Agreement to use the R+F Trademarks solely to promote the R+F Products (as outlined in Section 11d) and to indicate that the Consultant is an authorized Rodan + Fields Independent Consultant.

Consultants who wish to use a Rodan + Fields Logo must use the Independent Consultant Logo which is available in the Library. Consultants are not permitted to change or modify the Independent Consultant Logo in any way.

11d. Restrictions:

To ensure that the intellectual property of Rodan + Fields is legally protected, Consultants are not permitted to: (i) use any trademark or service mark confusingly similar to any R+F Trademark or R+F Content; (ii) combine any R+F Trademark or R+F Content with any other brand's tagline, trademark, image, logo or other intellectual property; (iii) remove any R+F Trademark or R+F Content from the R+F Products, R+F Marketing Materials or R+F Business Supplies; (iv) modify any R+F Trademark or R+F Content; (v) use or register any domain name that includes any R+F Trademark, R+F Content or any mark confusingly similar thereto; (vi) use any R+F Trademark or R+F Content in connection with any products other than the genuine R+F Products; (vii) use any R+F Trademark or R+F Content in connection with any other services, businesses or opportunities other than the Consultantship; (viii) register or attempt to register any R+F Trademark or confusingly similar trademarks in any class of products or services anywhere in the world; (ix) use any trade name or business name in connection with their Consultantships that includes any R+F Trademark or R+F Content; or (x) use the Proactiv[®] Trademark on or in connection with any R+F Products, R+F Marketing Materials or R+F Business Supplies, or otherwise in connection with their Consultantships. For a list of R+F Trademarks, refer to Appendix B Glossary.

11e. R+F Marketing Materials and Business Supplies:

The Company's R+F Products and business model are subject to significant regulation, including by the Food & Drug Administration (FDA) and the Federal Trade Commission (FTC). To help address the highly regulated nature of the Company's R+F Products and business model, Rodan + Fields has arranged for approved R+F Marketing Materials and Business Supplies to be available to Consultants for use in promoting the R+F Products and the Program. Section 6c and 6d explain what claims can be made about Rodan + Fields' Products and business model. Each Consultant is nonetheless responsible for legal compliance for any advertising and promotion they undertake to promote R+F Products. These materials are

available through the Consultant Only category of the R+F Website, and the Library. If Consultants have particular needs for R+F Marketing Materials or Business Supplies that are not available through the Company, Consultants may submit suggestions to the Rodan + Fields Marketing Department at Marketing@rodanandfields.com. Rodan+ Fields, however, is under no obligation to provide specially requested R+F Marketing Materials or Business Supplies. Rodan + Fields' specific policies regarding Consultant created Marketing Materials are as follows:

11e (i): Trademark Merchandise

Consultants who wish to use items with the R+F Trademarks, including the Rodan + Fields logos, may purchase merchandise approved by Rodan + Fields through the Consultant Only category of the R+F Website, and a Consultant's PWS. Consultants are not permitted to add R+F Trademarks to any items or merchandise. Co-branding Consultant team logos with R+F Trademarks, including the Rodan + Fields logos, is not permitted. The R+F Trademarks are defined in Appendix B.

11e (ii): Branded Assets

Consultants may use the Marketing Materials, including socially shareable assets, images, video, brochures, flyers, and invitations, that Rodan + Fields makes available on a variety of virtual sites, including but not limited to the Library, The Insider Scoop and any Rodan + Fields Event websites. Because Rodan + Fields and its Consultants must comply with direct selling and product related regulations and intellectual property laws, all which also serve to protect the Rodan + Fields brand and respect the intellectual property rights of third parties, Consultants may not create their own flyers or invitations to advertise or promote the R+F Products or the Program.

11e (iii): Videos

Consultants may use Rodan + Fields corporate videos to advertise or promote the R+F Products and the Program. Corporate videos must be re-posted in their entirety and may not be modified in any way. It is the Consultants' responsibility to ensure that they are using the most current version of Rodan + Fields videos. **In some cases, Consultants are allowed to create and share their own videos so long as the rules outlined next are followed.**

1. Personal Videos on Public Forums

In general, Consultants may not post personal videos on public forums using the R+F Trademarks or R+F Content (as defined in Appendix B); especially pertaining to the business opportunity. However, Consultants *may* post videos on public forums discussing specific approved products, but must follow the rules outlined below:

1. ONLY approved products can be featured. For a full list of approved products contact Marketing@rodanandfields.com.
2. Consultants are not permitted to discuss the business opportunity and/or R+F programs.
3. No representation of income may be discussed.

4. Consultants must identify themselves as an R+F Independent Consultant.
5. Consultants may not share videos of others without first obtaining their express, written consent.
6. No videos featuring anyone under the age of eighteen (18) may be shown without express, written parental consent.
7. All claims must be compliant.
8. The following disclaimer must be used in its entirety: ***"Always read the label. Use as directed. Results may vary."***
9. Videos may not be longer than 3 minutes.
10. If required, always tag videos with appropriate hashtags.

2. Personal Videos on Private Forums

Consultants may create personal videos that use R+F Trademarks or R+F Content solely for the purposes of training other Active Consultants. The intended audience of these videos must be Active Consultants, not consumers or the public at large. They may only be shared on private forums such as on social media accounts with appropriate privacy settings. These videos must be in compliance with these Policies and Procedures and must contain the following disclaimer:

"This video is not sponsored or endorsed by Rodan + Fields ("R+F"). The information and views in it are provided by a Rodan + Fields Independent Consultant to be viewed by Rodan + Fields Independent Consultants. It may not be shared with the public."

a. Team Training Videos Mentioning Income and Lifestyles

Any video that discusses or mentions the Rodan + Fields Program and/or explicitly or implicitly makes an income or lifestyle claim must include this additional disclaimer:

"This is my unique story. Actual earnings vary significantly; no income is guaranteed. For info re: typical earnings, search Rodan + Fields IDS."

b. Product Team Training Videos

Any video that discusses or mentions R+F Products must include this additional disclaimer:

"Do not use the information provided as a substitute for medical advice. Results vary and depend on multiple factors, including age, gender, skin or hair type and condition, other products used, health history, climate, lifestyle and diet. Rodan + Fields makes no guarantee as to the results that you may experience."

The disclaimers required in this section must be provided in their entirety in the video, either

verbally or displayed in writing for a reasonable period to enable the viewer to review the information. It is the responsibility of the Consultant to ensure any of the material they are recording is compliant with these Policies and Procedures, as well as any Federal, State or local laws.

If Consultants use the trademarks, trade names, service marks, copyrights, or intellectual property of any third party in any personal video, it is solely their responsibility to ensure that they have received the proper license to use such intellectual property and to pay the appropriate license fee. Consultant warrants that they either own all the content in the video or are authorized to use any materials that do not belong to them, including music that requires licensing. If any demands or legal claims are made against Rodan + Fields or its officers or employees as a result of a Consultant's personal video, they promise to defend and indemnify Rodan + Fields and be responsible and assume financial liability for responding to those claims or demands.

No other videos are approved for Consultant use and, as such, Consultants may not create videos that combine personal material with the R+F Trademarks or R+F Content except as provided above. Finally, the videography of guest speakers at Rodan + Fields corporate events may be prohibited and Consultants must comply with any specific instructions in that regard. For details on video streaming of events, see subsection below entitled "Video Streaming."

11e (iv): Video Streaming

Facebook Live and other streaming services are methods Consultants may use to share information about Rodan + Fields live with their team or prospective Customers and Consultants. Consultants may share content such as their own personal "why," and information on R+F Products or the Program, provided they comply with the requirements of Section 6c regarding Product Claims and Section 6d regarding Income Claims. During a live event, Consultants must include the same disclaimers as required in a video. While this content is streaming live, it is not otherwise subject to the Video Policy, as discussed above. This means Consultants may host live streamed events on public forums. Once the content is saved, however, it is considered a video and is subject to the Video Policy.

Live video streaming at events sponsored by Rodan + Fields is subject to restriction and Consultants must obtain permission before live streaming those events. This subsection only pertains to Consultant led events.

11e (v): Audio and Video Recordings

Training calls and business presentations may be recorded. If initiated by Rodan + Fields, Rodan + Fields will ensure that participants are informed at the beginning of the call that it is being recorded. For any call initiated by Consultants, it is the Consultant's responsibility to ensure that participants are informed at the start of the call that it is being recorded. It is likewise the responsibility of Consultants that they ensure that any of the material they are recording is compliant and abides by these Policies and Procedures, as well as any federal, state or local laws.

11e (vi): Business Presentations

Consultants may use the Business Presentation materials that Rodan + Fields has made available through the Consultant Only category of the R+F Website, and the Library to promote the R+F Products and the Program. Corporate business presentations must be re-posted in their entirety and may not be modified in any way. It is the Consultants' responsibility to ensure that they are using the most current version of Rodan + Fields business presentations; no other business presentations are approved for Consultant use.

11e (vii): Training Tools

Rodan + Fields makes available optional training tools through the Consultant Only category of the R+F Website and the Library to advertise or promote the R+F Products and the Program. Training tools that are not compliant with these Policies and Procedures may be subject to compliance action.

11e (viii): Third-Party Training

Consultants are responsible for the content of any third-party training session that they sponsor for their Downline teams. Any such presentation must be compliant with all aspects of the Policies and Procedures and the trainer and the sponsoring Consultant must both execute the Authorized Third Party Trainer Agreement that is available in the Library. Rodan + Fields reserves the right to attend such third-party training events to ensure they are compliant and meet the requirements of the Policies and Procedures. Consultants should be warned that there are various third-party trainers who purport to specialize in various direct selling matters and have been known to provide non-compliant content. Rodan + Fields does not maintain a list of third-party trainers.

11f. General Advertising Policies:

Consultants must ensure that they only engage in advertising and marketing activities directed to Customers, potential Customers or potential Consultants that comply with all applicable federal and state laws, rules and regulations, as well as any applicable platform terms, rules or guidelines. This includes, without limitation, compliance with all FTC guides, including the FTC's Endorsement Guides and FAQs, privacy laws, and laws, rules and regulations concerning email, SMS/text and phone calls. Consultants should consult their own legal counsel for any questions about their compliance obligations. Appropriate locations for distribution of advertising and marketing materials include bulletin boards, message boards and digital message boards located in public places and private businesses.

11g. Mass Media Advertising:

As a matter of fairness to all Rodan + Fields Consultants, Consultants are not permitted to advertise the R+F Products or the Program on television, radio, billboards, national print, online channels including third-party online marketplaces, through mass mailings or through channels otherwise deemed inappropriate by Rodan + Fields. Subject to the other requirements of this Section, Consultants are permitted to advertise in their local newspaper, local mailings, and outreach within a 50 mile radius of your home zip code, community newsletters, local opportunities, local business directories, through their local Chamber of

Commerce and through telephone book listings provided the advertisement does not exceed \$1,500 value (per activity). Telephone directory listings must comply with Section 11p below. For promotion on independent websites, see Section 11l.

Consultants may not advertise under the "help wanted" section of any newspaper or other directory, nor may any advertisement state or imply that the Consultant is seeking to employ or hire an individual for the company or that the Consultant is an agent or recruiter for the Company. If an advertisement is placed in a newspaper or other directory, the advertisement must clearly indicate that the opportunity being presented is that of an independent contractor as an Independent Consultant for Rodan + Fields.

11h. Selling Via Third-Party Internet Sites:

Consultants may sell the R+F Products through their Personal Websites (PWS) or through the R+F Website and may also direct Customers to purchase the R+F Products through the R+F Website. Sales of the R+F Products or Rodan + Fields Branded Assets, through any other website, including but not limited to Third-Party Internet sites such as eBay, Amazon, Craigslist, VarageSale, Facebook Marketplace, Mercari, Walmart Marketplace and/or Poshmark, are strictly prohibited. This rule is required for many reasons, including consumer protection, compliance with laws regarding the R+F Products, and to protect R+F Consultants from losing potential enrollments of Customers and Consultants who may be reluctant to engage via the R+F Program because they view the third-party sites as a competitive source of supply. Violation of this section may subject Consultants to immediate termination.

11i. Search Engines, Keywords and Meta-Tags:

Rodan + Fields endeavors to promote the brand and Company, generate product awareness and elevate the global Rodan + Fields community on behalf of our Consultants worldwide through search engine marketing (SEM) and other paid online advertising programs. Consultants agree to cooperate fully with Rodan + Fields' effort to boost the search rank of Rodan + Fields owned sites on search engine results pages (SERPs) in all markets by not competing with the Home Office for branded keyword terms and phrases; including but not limited to "Rodan + Fields," "Rodan Fields," "R+F," "Multi-Med Therapy," "REDEFINE Regimen," and more.

Consultants may not bid on or purchase (or encourage or solicit any third party to bid on or purchase) any R+F Trademark, R+F Content, or any term containing any R+F Trademark or R+F Content as a meta-tag, keyword, paid search term, sponsored advertisement or sponsored link in both global and local markets.

11j. PULSE by Penny Program:

PULSE by Penny is a proprietary suite of web-based tools that provides business and Customer relationship management resources to Rodan + Fields Consultants to support team growth, product sales, Downline productivity, and Customer satisfaction and retention.

PULSE by Penny is available in two versions: (i) PULSE Pro (advanced) and (ii) PULSE (basic).

- PULSE (basic) is available to all Consultants.
- PULSE Pro is an optional advanced suite of tools available through a monthly paid subscription program. PULSE Pro features a personal website through which Consultants may sell the R+F Products and enroll new Consultants, with all transactions automatically linked directly to their Rodan + Fields Consultant Identification Numbers.

It is the responsibility of each Consultant to ensure that their Personal Website (PWS) fully complies with the PULSE by Penny Terms and Conditions, the R+F Website Terms and Conditions, these Policies and Procedures and all applicable federal and state rules and regulations. The requirement of compliance also extends to any social networking site that is linked from a Consultant's Personal Website (PWS). Rodan + Fields reserves the right to disable any link from a Consultant's Personal Website (PWS) to a non-compliant social networking site or posting. The Personal Website (PWS) may not be promoted or marketed via mass media as outlined in Section 11g. Subject to Sections 11i and 11n, Consultants are permitted to purchase their own personalized URL through a third party and redirect to their own PWS sites. For additional information regarding social networking refer to Section 5 and to the Social Media Guidelines located in the Library. For additional information regarding a Personal Website (PWS) content requirements refer to the Personal Website (PWS) training materials located in the Library.

11k. Social Networking and Social Media:

Consultants may join social networking sites, online forums, discussion groups, blogs, and other forms of Internet communication to leverage the power of the Rodan + Fields brand and to communicate the benefits of the R+F Products and the Program. Online social pages belonging to a Consultant may be used to drive traffic to a Personal Website (PWS) or to the R+F Website. However, social pages belonging to Influencers or other companies or brands may not be used to drive traffic to a Consultant's Personal Website (PWS). Social networks include but are not limited to such sites as Facebook, Instagram, Pinterest, LinkedIn, Twitter, etc.

Consultants may use their own social networking profiles to advertise and promote their Rodan + Fields businesses and the R+F Products, and direct traffic to their respective Personal Website (PWS) site or the R+F Website. No actual sales of R+F Products, however, may be processed on social networking profiles or groups and no pricing may be shown on an image or in the text of a post. Profiles a Consultant generates in any social community where Rodan + Fields, the R+F Products or the Program are discussed or mentioned must clearly identify the Consultant as a Rodan + Fields Independent Consultant, and when a Consultant participates in those communities, Consultants 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 Rodan + Fields' sole discretion and offending Consultants will be subject to disciplinary action. If a link is provided, it must link to the Consultant's Personal Website (PWS), to a Consultant's Independent Website that has been approved by Rodan + Fields pursuant to Section 11l, or to the R+F Website.

Consultants may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Consultants create or leave must be useful, unique, relevant and specific to the blog's article.

Consultants who use social networking sites must also comply with the rules associated with that particular website or network. For example, some sites prohibit users from advertising products or promoting financial opportunities. Federal and state agencies have established guidelines and rules for what may and may not be communicated and even a Consultant's personal experience may not conform to these regulatory guidelines. Consultants who provide testimonials on social networking sites and otherwise on the Internet are responsible for ensuring that their testimonials comply with all applicable laws and regulations.

Among other things, Consultants shall not: (i) make any specific income claim or commitment to any amount of income that others may realize as a Rodan + Fields Consultant; (ii) make any guarantee of success; or (iii) suggest that a specific amount of inventory must be purchased at the time of enrollment. Consultants may describe, in general terms, the positive impact of Rodan + Fields on their lifestyle or the positive visible results they have personally experienced from using the R+F Products so long as the requirements of Section 6c regarding Product Claims and Section 6d regarding Income Claims are met.

In addition to the foregoing general provision, Rodan + Fields' specific policies regarding Social Networking and Social Media are as follows:

11k (i): Consultants Are Responsible for Postings

Consultants are personally responsible for their postings and all other online activity that relates to Rodan + Fields. Therefore, even if a Consultant does not own or operate a blog or social media site, if a Consultant makes a post that relates to Rodan + Fields or which can be traced to Rodan + Fields, the Consultant is responsible for the posting. Consultants are also responsible for postings which occur on any blog or social media site that the Consultant owns, operates or controls. Rodan + Fields reserves the right to require the removal of non-compliant or infringing posts from any Consultant's social media pages and may terminate the Consultant Agreement of any Consultant who materially or repeatedly breaches this section.

11k (ii): Identification as a Rodan + Fields Independent Consultant

Consultants must disclose their full names on all social media postings, and conspicuously identify themselves as Rodan + Fields Independent Consultants. In addition to the foregoing, Consultants may use the Rodan + Fields Independent Consultant logo in social networking profiles. The Rodan + Fields Independent Consultant logo is available in the Library. Anonymous postings or use of an alias are prohibited.

11k (iii): Deceptive Postings

Postings that are false, misleading or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the R+F Products, the Program, and/or Consultant biographical information and/or credentials.

11k (iv): Use of Third-Party Intellectual Property

Subject to Section 11d, if Consultants use the trademarks, trade names, service marks,

copyrights, or intellectual property of any third party in any posting, it is solely their responsibility to ensure that they have received the proper license to use such intellectual property and pay the appropriate license fee. All third-party intellectual property must be properly referenced as the property of the third party, and Consultants must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property. A Consultant may be personally liable for any violation of this policy should the owner of the intellectual property bring an action. In addition, it is important not to repost any posts which violate this policy.

11k (v): Respecting Privacy

Consultants must respect the privacy of others and be judicious in their postings. Consultants must not engage in gossip or advance rumors about any individual, company or competitive products or services.

11k (vi): Ethics & Legal Compliance

Consultants must conduct themselves with professionalism, ethically and in full compliance with all laws on social networking sites. Consultants are responsible for ensuring that any posts or other social media activity that promotes the R+F Products or Program is legally compliant, and complies with any applicable platform terms, rules or guidelines. This includes ensuring that their postings are truthful and accurate and that any legally required disclosures are made in compliance with applicable law. Report non-compliant posts to the Compliance Department at Compliance@rodanandfields.com.

11k (vii): Prohibited Postings

Consultants may not make any posting, or link to any posting or other material, that:

- Is sexually explicit, obscene or pornographic;
- Is profane, hateful, threatening, harmful, defamatory, libelous, harassing or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability or otherwise);
- Is solicitous of any unlawful behavior;
- Engages in personal attacks on any individual, group, or entity;
- Is in violation of any intellectual property rights of the Company or any third party; or
- Is not consistent with the standards set forth in these Policies and Procedures.

For ease of reference on how to ensure that a social media profile is in compliance with the Policies and Procedures, see the Social Media Guidelines available in the Library.

11k (viii): Social Media and Online Presence with Independent Website-like Features

Rodan + Fields reserves the sole and exclusive right to classify a Consultant's social media and online presence as the functional equivalent of operating an independent website. In such an instance, the Consultant must adhere to the Company's policies regarding Independent Websites. For example, a blog, a website developed on a blogging platform, and

other social media presence that is developed for the primary purpose of marketing or promoting the R+F Products or the Program, may be classified by the Company as an independent website. For additional information on Independent Websites, refer to Section 11l.

11k (ix): Influencers

Independent Consultants are not permitted to contact social media influencers who have 10,000 or more followers or any media, including media outlets or media members. This includes communication via direct message through social platforms and emails. Additionally, Consultants are not permitted to send products and/or goods to influencers or media. This includes payment for collaboration or sponsorship, content creation, or product promotion, as well as free product or a gift for a potential review.

R+F Corporate works with influencers and media through product gifting to help you reach new audiences. If an Independent Consultant sees an influencer tag @RodanAndFields on a post, it is not permitted to reach out to them in any way for prospecting. This includes sending direct messages or commenting on their social content.

If a Consultant has a relationship with an Influencer (with 10,000 or more followers), and the Consultant would like them to promote R+F products or they reached out to a Consultant offering to promote R+F products, please contact the Corporate Communications Team at CorporatePR@rodanandfields.com to refer this person. The inquiry will be reviewed the same way as media inquiries and if the partnership is right for the brand, Rodan + Fields will work with the suggested influencer and their content will be directed to the Rodan + Fields corporate website, not to a Consultant's PWS.

Social media content created by influencers and media is owned by them. It is illegal to share any content without the rights and permission of the creator.

11k (x): Nano-Influencers

If a Consultant has a relationship with a nano-influencer (less than 10,000 followers), and the Consultant would like the nano-influencer to promote Rodan + Fields products or if the nano-influencer reaches out to the Consultant offering to promote R+F products, there are some guidelines that must be followed:

1. Consultants are not permitted to pay nano-influencers for creating content and the nano-influencer's content may only reference back to the Corporate website, not to a Consultant's Personal Website (PWS).
2. The nano-influencer is legally required to identify the relationship and to disclose whether the Consultant provided free products to them. Nothing else of value should be provided to induce the nano-influencer to provide a favorable review/social media post.
3. If a nano-influencer shares their review of a product you have provided to them on social media, they may not share your Personal Website (PWS) or email and only tag R+F corporate @RodanAndFields and your social media handle.

4. When providing free R+F Products to nano-influencers, Consultants must inform them of the following:

a. "To be compliant with FTC guidelines, if you choose to review this product, please clearly and conspicuously state that you received this product for free from an R+F Independent Consultant. This must appear in the first line of the post if shared on social media or at the top of the communication (e.g. top of the Blog or in the Vlog). This cannot be in the comments section of the Blog, Vlog, or other messaging platform."

5. If the Consultant has a relationship with the individual, the Consultant must convey to them that they must reveal that they are the Consultant's [insert: friend, sister, co-worker, etc., as appropriate]. This is required by law.

Reach out to the Corporate Communications Team at CorporatePR@rodanandfields.com with any questions.

11k (xi): Social Networking and Independent Website Termination

If a Consultant Agreement is terminated for any reason, the Consultant must discontinue using the Rodan + Fields name, all of the R+F Trademarks, trade names, service marks, other intellectual property and all derivatives of such marks and intellectual property, in any postings and on all social media sites that they utilize. If the Consultant posts on any social media site on which they have previously identified themselves as a Rodan + Fields Independent Consultant, they must conspicuously disclose that they are no longer a Rodan + Fields Independent Consultant.

In the event of a voluntary or involuntary termination of a Rodan + Fields Consultant Agreement, a Consultant is required to remove all references to Rodan + Fields from social networking profile(s) from public view within ten (10) days of the date of termination. If the Consultant has a specific Rodan + Fields social networking group presence, they are required to remove their social networking group from public view within ten (10) days of the date of termination. The name of the social networking group may be transferred to another Rodan + Fields Consultant subject to Rodan + Fields approval.

11k (xii): Sweepstakes, Contests and Giveaways

As an independent business owner, a Consultant may choose to run a sweepstakes, contest or promotion. While such sales tools are not illegal, it is important to understand that they are regulated by law, and the regulations differ by state. Raffles, on the other hand, are not a suitable mechanism for providing incentives. Prizes over a certain dollar amount may implicate IRS reporting requirements. We strongly recommend that any Consultant who wishes to run a sweepstakes, contest or promotion in conjunction with their Rodan + Fields business speak with a lawyer and/or consult the IRS website to ensure that it adheres to the relevant local laws and IRS reporting requirements. It is very important to ensure that all sweepstakes, contest or promotion are legally conducted. In all cases, a Consultant must indicate that the sweepstakes, contest or promotion is not sponsored or approved by Rodan + Fields.

11l. Independent Websites:

Upon subscription to PULSE Pro, Rodan + Fields provides Consultants with their own Personal Website (PWS) from which they can market the R+F Products and the Program.

However, if Consultants wish to develop their own independent websites to promote Rodan + Fields, the R+F Products, or the Program, they may do so if they execute an Independent Consultant Website Application and Agreement with the Company. The Independent Consultant Website Application and Agreement is available upon request from SalesSupport@rodanandfields.com. Consultants must strictly comply with the terms of the Independent Consultant Website Application and Agreement, which include a required legal review of the Consultant's independent website by outside counsel retained by Rodan + Fields. It shall be the Consultant's responsibility to pay the attorney's fees and any legal expenses associated with the legal review and opinion relating to their independent website. Upon a Consultant's execution of an Independent Consultant Website Application and Agreement and submission of the required website content (including screenshots of all pages and transcripts of any audio and video portions) to Rodan + Fields, a preliminary estimate of attorney's fees and legal expenses will be provided to the Consultant for their acceptance as authorization to proceed with the legal review. Consultants should understand before undertaking any website development that such legal review may cost between \$5,000 and \$10,000, or more, depending on length and complexity of the site. Any other independent website used to promote Rodan + Fields, the R+F Products, or the Program will be considered a non-compliant website in violation of this policy. Any Consultant who chooses to accept the legal review will be required to provide a \$5,000 deposit toward the payment of any such legal fees. Any unused portion of such deposit shall be returned to Consultant.

11m. Uninvited Solicitation:

A Consultant may not use or transmit unsolicited faxes, mass email distribution, unsolicited bulk email, unsolicited messaging or engage in "spamming" in connection with the advertising, promotion or sale of the R+F Products or the Program, or the operation of their respective Consultantships. The terms "unsolicited faxes" and "unsolicited bulk email" mean the transmission via telephone, facsimile or bulk electronic mail (i.e., similar message emailed to numerous recipients), respectively, of any material or information to any person on an unsolicited basis. The exceptions to this prohibition are faxes and email to: (i) any person who gave the Consultant prior consent to send such fax or email and such permission has not been revoked; or (ii) any person with whom the Consultant has an established business or personal relationship, as defined in Section 6o, and such relationship has not been terminated by such person. Any email sent by or for a Consultant advertising or promoting the R+F Products, the Program or the Consultant's Consultantship must comply with requirements applicable to commercial emailers found in the Controlling the Assault of Non-Solicited Pornography and Marketing Act ("CAN-SPAM") and the related FTC regulations, and any other applicable laws and regulations. Without limitation of the preceding paragraph, any electronic messages sent by email, social networking sites or other means by a Consultant advertising or promoting the R+F Products, the Program or the Consultant's Consultantship must meet all of the following requirements:

- the email must clearly identify the Consultant as the sender of the email and as a Rodan + Fields Independent Consultant;
- there must be a functioning return email address to the sender;
- there must be a notice in the email that advises the recipient that they may reply to the email via the functioning return email address to request that future email solicitations or correspondence not be sent to her or him (a functioning "opt-out" notice);
- the email must include the Consultant's physical mailing address;
- the email must clearly and conspicuously disclose that the message is an advertisement or solicitation;
- the use of deceptive subject lines and/or false header information is prohibited; and
- all "opt-out" requests, whether received electronically or otherwise, must be promptly honored.

It is understood that Consultants may send individual messages via email, text message, or social networking sites to persons they do not know but who are in the wider network of people they do know. Consultants are required to use their best judgment to respect the privacy and other interests of such persons and to follow all of the foregoing rules and abide by the laws regarding the transmission of electronic messages.

Rodan + Fields may periodically send commercial emails on behalf of Consultants and Consultants agree that Rodan + Fields may send such emails and that the Consultants' name and physical and email addresses may be included in such emails as outlined above.

11n. Domain Names and Email Addresses:

Consultants may not use or register any domain name or email address that consists of or contains any R+F Trademark (see list set out in Appendix B), R+F Content, or any mark confusingly similar, except that Consultants may use a domain name that is provided by Rodan + Fields in connection with their respective Personal Website (PWS), as set out in Section 11j. Domain names used in connection with any Personal Website (PWS) must be in good taste and exhibit no vulgarity. Rodan + Fields reserves the right to prohibit the use of domain names deemed inappropriate by Rodan + Fields in its sole discretion.

11o. Newsletters:

Consultant-created newsletters may be used for providing members of a Consultant's Downline with information on meetings, functions and events, for purposes of encouragement, motivation and recognition. Consultants may only send newsletters to those within their Downline Report, which is available via PULSE by Penny. See PULSE By Penny FAQs set out in the Library. A Consultant may use R+F Trademarks or R+F Content that Rodan + Fields provides for such purposes in newsletters that they distribute to their Downlines.

In addition to the foregoing, newsletters must comply with the following:

- the newsletter must clearly identify the Consultant as the publisher of the newsletter, must identify the Consultant as a Rodan + Fields Independent Consultant, and must include the Rodan + Fields Independent Consultant logo;
- the newsletters must include the Income Disclaimer and the Product Disclaimer where appropriate (the Income Disclaimer and the Product Disclaimer are defined in Appendix B); the newsletter must not reference earnings based on recruiting or sponsorship activities;
- the newsletter must not be used to sell, advertise or promote any product, service or program other than the R+F Products or the Program; the newsletter may contain articles and other R+F Content taken from The Insider Scoop or other downloadable R+F Content that Rodan + Fields makes available for such purposes, provided that: (i) the R+F Content is reproduced exactly as it originally appeared in the R+F Marketing Materials without any modification; (ii) Rodan + Fields or the applicable individual author is credited as the author of the R+F Content; and (iii) all copyright, trademark and other proprietary notices are reproduced with the R+F Content as they originally appeared in the Library;
- newsletters must comply with other sections of the Policies and Procedures, including to but not limited to, Section 11d, Section 11k, Section 11l and Section 11m; and
- all "opt-out" requests for newsletters, whether received electronically or otherwise, must be promptly honored. Each Consultant represents and warrants that any material or content that appears in their newsletters (other than material or content provided by Rodan + Fields) does not and will not infringe or misappropriate any patent, copyright, trademark, trade secret, publicity, privacy or other rights of any third person and is not and will not be hateful, discriminatory or vulgar.

11p. Directory Listings and Advertising:

11p (i): Telephone and Online Directories

A Consultant who wishes to appear in a telephone directory, online or otherwise, or other similar directory must list their name alphabetically according to their surname or, if the Consultant is a Business Entity, the trade name, business name or DBA of the Business Entity. If the directory permits, the Consultant's name may be followed by the words "Rodan + Fields Independent Consultant" and the Consultant's address and telephone number. A Consultant is permitted to advertise their Consultantship through telephone directory display ads provided they only use approved R+F Trademarks.

11p (ii): Toll-Free Numbers

A Consultant may use and advertise toll-free telephone numbers in connection with their Consultantship, which must be listed in accordance with the guidelines above. A Consultant may not state or imply that their toll-free number is a Rodan + Fields number or is linked to any Rodan + Fields location. In addition, any use of a toll-free number in connection with

infomercials or any other television programs is prohibited. Consultants may not use or register any toll-free number that consists of or contains any R+F Trademark (see list set out in Appendix B), R+F Content, or any mark confusingly similar.

11p (iii): Answering the Phone

A Consultant may not answer (or have any phone answering service or device answer) the telephone by saying "Rodan + Fields," or in any manner that would lead the caller to believe that they have reached Rodan + Fields or a Rodan + Fields office. A Consultant is permitted to state that they are an Independent Consultant for Rodan + Fields.

11p (iv): Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although Rodan + Fields does not consider Consultants to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that a Consultant's inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause her or him to violate the law. These regulations must not be taken lightly, as they carry significant penalties.

Therefore, Consultants must not engage in telemarketing in the operation of their Rodan + Fields Consultantships. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of the R+F Products or to discuss the Program. "Cold calls" made to prospective Customers or Consultants that promote the R+F Products or the Program constitute telemarketing and are prohibited.

Consultants shall not place or initiate any automated, outbound telephone call to any person that delivers any pre-recorded message (a "robocall") regarding or relating to the R+F Products or the Program. However, a telephone call(s) placed to a prospective Customer or Consultant (a "prospect") is permissible under the following situations:

- The Consultant has an established business relationship (or other relationship) with the prospect such that the prospect would reasonably expect to receive such a call. For example, if the prospect had recently purchased Products from the Consultant prior to the date of the telephone call to induce the prospect's purchase of Products;
- The Consultant receives the prospect's personal inquiry regarding the R+F Products or the Program within the three (3) months immediately preceding the date of such a call;
- The Consultant receives written and signed permission from the prospect authorizing the Consultant to call. The authorization must specify the telephone number(s) that the Consultant is authorized to call; or
- Consultants may call family members, personal friends and acquaintances. An "acquaintance" is someone with whom the individual has had at least a first-hand relationship within the preceding three (3) months. The acquaintance exemption

may not apply, however, if a Consultant makes a habit of “card collecting” with everyone they meet and subsequently calls them, as the FTC may consider this a form of telemarketing.

- Therefore if a Consultant engages in calling acquaintances, they must do so only on an occasional basis.

11q. Personal Videos, Photographs and Recordings:

If any personal photograph, video, audio tape or other recording of Rodan + Fields corporate events, Dr. Katie Rodan, Dr. Kathy Fields or Rodan + Fields employees is posted on the Internet (on any social media site or otherwise), Rodan + Fields reserves the right at its discretion to require such personal video, audio tape or other recording to be immediately removed and not otherwise displayed. Any such personal photograph, video, audio tape or other recording must be of high quality and, in the sole discretion of Rodan + Fields, must not portray Dr. Rodan, Dr. Fields, or Rodan + Fields employees in a negative light or in a way that may embarrass or damage the reputation of Rodan + Fields or the individuals appearing in the photograph, video, audio tape or recording.

Consultants may distribute, reproduce or post on the Internet videos, photographs or recordings that are made available by Rodan + Fields Corporate for use by Consultants. It is the responsibility of Consultants to ensure any of the material they are sharing is compliant and abides by these Policies and Procedures in particular Section 11e.

11r. Reporting Online Policy Violations:

Consultants may participate in social networking as outlined in these policies. To comply with legal requirements and maintain the Company’s brand integrity, any Consultant who suspects a policy violation must report as much information as possible, including detailed descriptions and screenshots, to Compliance@rodanandfields.com.

11s. Affiliate Programs:

Rodan + Fields Consultants are prohibited from participating in Rodan + Fields affiliate programs and/or receiving any commission or cash back from sales resulting through the use of an affiliate link, such as Rakuten, Skimlinks, rewardStyle, Honey, Extrabux, Cartera, etc.

SECTION 12: COMPENSATION

12a. General:

The Compensation Plan is attached as Appendix A to these Policies and Procedures and is incorporated into and made a part of these Policies and Procedures. The Compensation Plan identifies the earning opportunities available to Consultants and sets forth the sales and organizational requirements necessary to earn Commissions and Achievement Rewards. The Compensation Plan is built upon sales of the R+F Products to Customers.

Consultants who meet minimum Sales Volume requirements are eligible to earn Commissions

and Achievement Rewards as described in this Section and in the Compensation Plan. Rodan + Fields reserves the right to change, alter, or adjust the Compensation Plan at any time.

12b. RF Payday Account:

Rodan + Fields uses an independent third-party payment processor (“Payment Processor”) to pay Commissions and Achievement Rewards earned by Consultants through the Rodan + Fields Compensation Plan. The Payment Processor will set up an account for Consultants (an “RF Payday Account” or “wallet”) and will deposit monies owed to Consultants into their RF Payday Accounts. Consultants are responsible for reviewing the Payment Processor’s privacy policy to better understand how the Payment Processor handles Consultant’s personal information and Customer Data. With the exception of certain Achievement Rewards made on an exception basis, all Commissions or Achievement Rewards that Consultants may earn will be paid through the RF Payday program. (Pursuant to Section 12f, a Consultant must earn at least \$20 in Commissions and/or Achievement Rewards before she/he will receive payment to their RF Payday Account.) This payment processing service may be terminated or modified by Rodan + Fields or the Payment Processor at any time upon notice as specified in these Policies and Procedures. Consultants may manage their RF Payday Accounts through PULSE by Penny or may direct inquiries to RF Payday support via phone at 877-604-8455 or via email at Support@payday.myrandf.com. For additional information refer to the Library.

CONSULTANT ASSUMES THE RISK THAT RODAN + FIELDS AND/OR ITS PAYMENT PROCESSOR MAY MAKE ERRORS THAT RESULT IN UNDERPAYMENT OR OVERPAYMENT TO A CONSULTANT, AND CONSULTANT AUTHORIZES RODAN + FIELDS, THROUGH THE PAYMENT PROCESSOR, TO DEBIT OR CREDIT THEIR ACCOUNT AS NECESSARY TO CORRECT ERRORS. CONSULTANT UNDERSTANDS AND AGREES THAT TO THE EXTENT PERMITTED BY LAW NEITHER RODAN + FIELDS NOR THE PAYMENT PROCESSOR, NOR THEIR RESPECTIVE OFFICERS, MEMBERS, DIRECTORS, OWNERS, EMPLOYEES, OR AGENTS SHALL BE HELD RESPONSIBLE FOR ANY DAMAGES THAT RELATE TO OR ARISE FROM AN ERROR THAT RESULTS IN AN UNDERPAYMENT OR OVERPAYMENT TO A CONSULTANT, AND CONSULTANT WAIVES ANY AND ALL CLAIMS WITH RESPECT THERETO.

12c. Commission Period:

A Commission Period under the Compensation Plan is equivalent to a calendar month. Orders received on the last day of a Commission Period via the R+F Website or Consultants’ Personal Website (PWS) by 11:59 p.m. Pacific Time will be included for that Commission Period’s Commission and Achievement Reward period calculation. All orders received after the cut-off date will be included in the Commission and Achievement Reward calculation for the following Commission Period. With respect to a Commission Period, Commission payments will be issued to Consultants no later than the 15th day following the close of that Commission Period, unless otherwise notified by Rodan + Fields.

12d. Return Adjustments - Impact on Qualifications, Commissions and Achievement Rewards:

The qualifications, Commissions and Achievement Rewards attributable to R+F Product(s) are

not considered earned until after the applicable return period has expired. When a Product is returned to Rodan + Fields for a refund or funds are returned to a Consultant or Customer due to a credit card chargeback, the qualifications, Commissions and Achievement Rewards attributable to the returned Product(s), funds, or volumes will be deducted from the Consultant's current and future qualifications, Commissions and Achievement Rewards. These deductions will be made in the month in which the refund was given and will continue every Commission Period thereafter until the Commissions and Achievement Rewards are recovered from the Consultant who received the Commissions and Achievement Reward on the sale of the returned Product or disputed charge. In the event any Consultant's Consultant Agreement is voluntarily or involuntarily terminated and the amounts of the Commissions and Achievement Rewards attributable to the returned Product(s) or returned funds have not yet been fully recovered by Rodan + Fields, the remainder of the outstanding balance may be set off against any earnings amounts owed to the terminated Consultant. **Rodan + Fields reserves the right to review and terminate any account for consistently excessive or improper return activity associated with non-defective merchandise.** For additional information on adjustments for returned Products refer to Appendix A, Section 11.

12e. Payment for Month of Advancement:

An Executive Consultant or above is paid at the level of the highest Title for which they satisfy the qualification requirements during the current Commission Period. If they do not satisfy the qualification requirements for that Recognition Title during the current Commission Period, they will be paid at the level of the highest Paid-As Title for which they qualify.

12f. Accrual of Commission or Achievement Reward Payments:

A Consultant must earn at least \$20 in Commissions and/or Achievement Rewards before they will receive payment to their RF Payday Account. If the \$20 threshold is not met, a Consultant will not receive payment to their RF Payday Account, including upon the Consultant's termination. Commissions and/or Achievement Rewards earned that do not meet this \$20 threshold will be accrued and paid in a later Commission Period when the Consultant's combined earnings are \$20 or more.

12g. Closure of Inactive RF Payday Accounts and Unclaimed Commissions, Achievement Rewards and Credits:

After three consecutive months of having a positive balance in your RF Payday account without activity (example: No new loads via the Commission plan, no transfers, etc.), there will be a monthly \$7.00 maintenance fee applied for each month a balance remains, up to thirty (36) months. Rodan + Fields will attempt to notify the Consultant of the fees being imposed by sending notice to their last known email address. Fees imposed on inactive accounts will be deducted from the current balance until the sooner of (a) the balance on the account equals \$0.00, or (b) the balance is determined abandoned under applicable unclaimed property law and the funds will be allocated to the state in which you reside. The positive balance in a Consultant's RF Payday account will be withdrawn and the unclaimed Commissions, Achievement Rewards and credits in the account will be paid to the relevant

authority responsible for administering unclaimed monies in the relevant jurisdiction if the monies remain unclaimed for the statutory period under applicable state law. CONSULTANTS WAIVE ALL CLAIMS AGAINST RODAN + FIELDS, THE PAYMENT PROCESSOR AND THEIR OFFICERS, DIRECTORS, MEMBERS, OWNERS, EMPLOYEES, AND AGENTS RELATING TO THE CLOSURE OF A CONSULTANT'S ACCOUNT OR WITHDRAWAL OF FUNDS, EVEN IF THE LIKELIHOOD OF SUCH DAMAGES OR LOSSES ARE MADE KNOWN TO RODAN + FIELDS AND/OR THE PAYMENT PROCESSOR PRIOR TO THE TIME OF THE CANCELLATION OR WITHDRAWAL.

12h. Temporary Hold of Volume Requirements for Title Advancement:

Rodan + Fields understands that from time to time special, extenuating and/or uncontrollable circumstances may arise that require a Consultant to take time away from their Consultant Account. If that becomes the case, the Consultant may contact Rodan + Fields to request a temporary hold of their monthly volume requirements and discuss the special circumstances with Rodan + Fields. Rodan + Fields will review the request on a case-by-case basis and may temporarily suspend volume requirements, subject to the terms set forth below, for a period of time that Rodan + Fields shall determine in its sole discretion (the "Volume Hold Period"). Rodan + Fields may require documentation to support a request for a temporary hold of volume requirements. Without proper documentation, all approved Volume Holds will be on a month-to-month basis.

During the Volume Hold Period, the Consultant will receive Commissions on their Downline without having to meet the monthly minimum Sales Volume requirement of the Compensation Plan. For Executive Consultants, this means that the requirements to achieve monthly minimum of 100 in Sales Volume (SV) and a minimum of 800 in Group Volume (GV) are placed on hold. All other qualifications for programs must be maintained. No Title advancements may occur during the Volume Hold Period; however, when the Volume Hold Period terminates, any new ECs that advanced during the Volume Hold Period will remain in their Personal Team and the Consultant will advance at that time. Should the Consultant elect to terminate their Volume Hold Period early, they would advance at the close of the Commission Period for the month ending the Volume Hold Period, provided that the Consultant has met the monthly minimum Sales Volume and any other requirements.

A request for a Volume Hold Period must be made prior to, during the month of, or one (1) month immediately following the month for which the Volume Hold is being requested. For example, if an Independent Consultant wants to request a Volume Hold Period for the month of November, they must request it prior to November, during the month of November, or by the end of December. Any requests that come in past this deadline will be declined. If a Consultant is requesting multiple months (e.g. November and December, Rodan + Fields will use the later month as the determining month).

SECTION 13: RELATIONSHIP TO PROACTIV[®] SOLUTION

Rodan + Fields does not distribute Proactiv[®]-branded products and has no affiliation or involvement with the distributor of the Proactiv-branded products. Consultants should not use

or display the Proactiv brand or trademark, or mention or reference any Proactiv-branded products, in connection with the sale, advertising or promotion of any R+F Products. Consultants should not compare the R+F Products to Proactiv-branded products, including with respect to any feature or benefit, or otherwise comment on Proactiv-branded products. Consultants should not suggest in any manner that the R+F Products are endorsed by any past or future spokesperson for the Proactiv-branded products, including celebrities who have endorsed the Proactiv-branded products. Consultants are responsible for any representations or misrepresentations they make with respect to Proactiv products or the distributor of such products.

Without limiting the general restrictions described above, Consultants shall not:

- direct any sales activity toward or solicit any person engaged in the sale of Proactiv, including but not limited to posts on any Facebook page devoted to Proactiv products and solicitations of individuals selling Proactiv in shopping mall kiosks;
- compare any R+F Product with Proactiv-branded products in any way (for example, do not say that an R+F Product is more effective, better suited, better priced, produces better results, etc. than Proactiv-branded products) on any platform including social media; state or suggest that Rodan + Fields is “backed” by the Proactiv brand;
- use or display the Proactiv brand or trademark when selling any R+F Products; refer to any of the celebrities who endorse Proactiv-branded products when selling any R+F Products;
- use the Proactiv brand or trademark to mislead or redirect Internet users to a site selling R+F Products (for example, do not use the word “Proactiv” in domain names, meta tags, purchased keywords or banner ads); and
- post, re-post or share on any platform, including social media and other Internet sites, any communications regarding Proactiv that violate the rules outlined in this Section 13.

The only permitted use of the word Proactiv is to say that Dr. Katie Rodan and Dr. Kathy Fields are the creators of Proactiv, which may be stated when describing the background or history of Rodan + Fields, but not in any other context such as communication the primary purpose of which is to sell any product or service of Rodan + Fields. Consultants must remove all existing use, display, or social media post that are not compliant with the restrictions provided in this Section. Failure to do so or other violations of this policy can result in a notice of non-compliance and/or, where appropriate in the Company’s sole discretion, termination of the Consultant Agreement.

SECTION 14: TRANSFER OF CONSULTANT AGREEMENT

14a. Sale, Assignment or Transfer of a Consultant Agreement:

A Consultant may not sell, assign or otherwise transfer their Consultant Agreement without the prior written approval of Rodan + Fields. Please note Rodan + Fields will not approve a request for the sale, assignment or transfer of a Consultant Agreement if the intention,

whether express or implied, is to achieve Line Switching, or if Rodan + Fields believes the sale, assignment or transfer is designed to circumvent any other Policy or Procedure or is being used as a "shelter account" to continue to collect earnings while placing the business in another individual's name. If Rodan + Fields believes that the goal of the sale, assignment or transfer is designed to circumvent any other policy it will conduct an investigation and may refuse the request in its sole discretion. Specific rules on Sale and Transfer of a Consultant Agreement are as follows:

14a (i): Seller/Transferor Requirements

A Consultant who wants to sell, assign or transfer their Consultant Agreement must meet the following criteria:

- have been an Active Consultant for at least twelve (12) months immediately prior to the sale, assignment or transfer request;
- be in good standing and in compliance with the Policies and Procedures;
- have annualized earnings of at least \$25,000 in the twelve (12) months immediately prior to the sale, assignment or transfer request;
- wait six (6) months before re-enrolling under a different Sponsor.

14a (ii): Buyer/Transferee Requirements:

A Consultant who wants to buy or take over another business must meet the following criteria:

- have been an Active Consultant for at least twelve (12) months immediately prior to the sale, assignment or transfer request;
- be in good standing and in compliance with the Policies and Procedures;
- have annualized earnings of at least \$15,000 in the twelve (12) months immediately prior to the sale, assignment or transfer request, or 50% of the seller's annualized earnings in the twelve (12) months immediately prior to the sale, assignment or transfer request; whichever is greater.

Example: Buyer wants to purchase Seller's Business and Seller has annualized earnings of \$100,000. Buyer must have annualized earnings of at least \$50,000 in order to qualify, not \$15,000.

If the above-referenced criteria have been met, a Consultant wishing to sell, assign or transfer their Consultant Agreement ("Seller") must first provide Compliance with evidence that the immediate Upline Consultant was informed in writing of the impending sale, assignment or transfer at least seven (7) calendar days prior to Rodan + Fields drafting and sending the formal Sale and Transfer Agreement. If the Seller chooses to sell, assign or otherwise transfer their Consultant Agreement to their immediate Upline Consultant and the two parties finalize a mutually acceptable sale / transfer arrangement, the Seller's Downline will compress (Roll Up) into the immediate Upline Consultant's existing Downline. If the Seller chooses not to sell their Consultant Agreement to their immediate Upline Consultant, the Seller may offer to sell/transfer the Consultant Agreement to another party that meets the

eligibility requirements. If the Consultant Agreement is sold or transferred to an existing Rodan + Fields Consultant, who is not the Seller's immediate Upline Consultant, the buying Consultant must terminate their Consultant Agreement, leave behind their existing Downline and assume the Seller's position; the two organizations will not merge. The buying Consultant's existing Downline will then compress (Roll Up) to their former Sponsor.

If Rodan + Fields believes that the goal of the sale, assignment or other transfer is designed to circumvent any other policy it will conduct an investigation and may refuse the request at its discretion. If a transfer request is approved, the Seller must work with the buying Consultant and RF Payday to convert the RF Payday Accounts accordingly. For additional information regarding RF Payday refer to Section 12b.

14b. Divorce/Separation:

To prevent household buying that constitutes illegal inventory loading, spouses and common law married couples must operate under a single Consultant Agreement, whether as individual proprietors or through a Business Entity. Upon a divorce or separation, spouses or common law married couples must do one of the following:

1. One of the Consultants agrees in writing to: (i) terminate the Consultant Agreement as it applies to them; (ii) relinquish their interest in the Consultant Agreement; and (iii) authorize Rodan + Fields to pay all Commissions and Achievement Rewards to, and otherwise deal directly and solely with, the non-relinquishing spouse/partner (in which case the terminating Consultant may re-enroll as a Consultant under a new Sponsor without completing the six (6) month period pursuant to Section 7d); or
2. Notwithstanding the divorce or separation, the spouses or common law married couple agree to continue to operate the Consultantship jointly on a "business-as-usual" basis, in which case Rodan + Fields will continue to pay all Commissions and Achievement Rewards and otherwise deal with the spouses and common law married couple in the same manner as it did prior to the divorce or separation.

Under no circumstances will the Downline of divorcing or separating spouses or common law married couples be divided. Similarly, under no circumstances will Rodan + Fields split Commission or Achievement Reward payments between divorcing or separating spouses or common law married couples.

14c. Marriage of Consultants:

Should an unmarried Consultant get married to a person who is not currently a Consultant, they have the option of adding their new spouse to their Rodan + Fields Consultant Agreement. In the case of a Business Entity Consultant, the new spouse may become a Beneficial Owner of the Consultant Agreement. To add a spouse to an existing Consultant Agreement, the spouse must complete and submit a Spouse/Partner Add Form, which includes a new Consultant Application and can be found in the Library. In the case of a Business Entity Consultant Agreement, the Consultant must report that the new spouse has become a Beneficial Owner of the Consultant Agreement, who must also meet all applicable

eligibility requirements.

To prevent household buying of R+F Products that constitutes illegal inventory loading, should an unmarried Consultant marry another person who is currently a Consultant, the new couple must work together under a single Consultant Agreement. If one of the Consultants in the marriage chooses to join the Consultant Agreement of their new spouse, such Consultant must terminate their existing Consultant Agreement. The Consultant has the option of simply abandoning the Consultant Agreement or selling the Consultant Agreement pursuant to Section 14a. These are the options available to marrying Consultants who are in the same Downline, but have different Sponsors, and to marrying Consultants who have the same Sponsor, but occupy different Legs in the Sponsor's Downline.

Marrying Consultants may merge their two Consultant Agreements into one Consultant Agreement only if one of the Consultants Personally Sponsored the other Consultant.

14d. Business Entity Change of Beneficial Ownership:

In the event that a Business Entity that is a Consultant undergoes a Change of Beneficial Ownership, arrangements must be made to ensure that the Consultantship, other Consultants in the applicable Upline and Rodan + Fields are not adversely affected.

A "Change of Beneficial Ownership" means, with respect to any Consultant Agreement that is operated as a Business Entity, the sale, transfer or acquisition of any ownership interest in the Business Entity by any person or entity or group of persons or entities who are not listed on the original Business Entity Registration Form or any subsequent amendment to the Business Entity Registration Form, that is on file with the Company. If Rodan + Fields determines in its sole discretion that such a Change of Beneficial Ownership will adversely affect the Consultant Agreement, other Consultants, or Rodan + Fields, Rodan + Fields may terminate the Business Entity's Consultant Agreement.

Upon any Change of Beneficial Ownership, the Business Entity and each Beneficial Owner must continue to meet each of the requirements set forth in Section 5j. If a Business Entity that is a Consultant is not the surviving Business Entity upon any Change of Beneficial Owner, the new Business Entity must submit a new Consultant Application and Business Entity Registration Form to become a Consultant.

14e. Death and Incapacity:

14e (i): Death

Upon the death of a Consultant, the Consultant's interest in their Consultant Agreement may be transferred only by will, trust or other testamentary instrument to the Consultant's heir, trustee or other beneficiary (each of such persons referred to herein as a "Transferee"), subject to the conditions and requirements of this Section and applicable law.

In addition, a Transferee shall have the right to assume the deceased Consultant's rights and obligations under the applicable Consultant Agreement, including the right to collect Commissions and Achievement Rewards generated by such Consultant's Downline, subject to

the conditions and requirements of this Section and applicable law.

However, a Transferee may not assume a Consultant's rights and obligations under an applicable Consultant Agreement if Rodan + Fields determines, in its sole discretion, that the Consultant Agreement, other Consultants in the applicable Upline, or Rodan + Fields will be adversely affected by reason of such assumption.

Appropriate legal documentation must be submitted to Rodan + Fields in connection with any transfer under this Section. Please note that should a Consultant die without a will or other testamentary instrument designating the transferee of the Consultant's interest in their Consultant Agreement, the Consultant Agreement will be automatically terminated and heirs of the deceased Consultant will not have any rights under that Consultant's Consultant Agreement. Accordingly, each Consultant should seek the assistance of their attorney to assist in the preparation of a will, trust or other testamentary instrument that will properly transfer the Consultant's interest in their Consultant Agreement.

To effect a testamentary transfer of a Consultant's interest in their Consultant Agreement upon the death of such Consultant, the Transferee must provide the following to Rodan + Fields:

- a court order appointing the executor or trustee of the estate or letters testamentary letters or other instruments appointing the executor or trustee of the estate; and
- written instructions from the executor or trustee of the estate specifically directing on the disposition of the Consultant's applicable interest in the Consultant Agreement. A general bequeath of all of the Consultant's property to the transferee is not sufficient to satisfy this requirement.

Pending receipt of such documentation, the Consultant's heirs may request that the applicable Consultant Agreement be placed on a Volume Hold Period. Please consult Section 12h to learn more about Volume Hold requests.

In addition, when a Transferee assumes a Consultant's rights and obligations under an applicable Consultant Agreement with Rodan + Fields's approval, the Transferee will, in addition to acquiring the right to collect Commissions and Achievement Rewards generated by the deceased Consultant's Downline, otherwise assume all the rights and obligations of the deceased Consultant under the Consultant Agreement, provided the following requirements are met. The Transferee must:

- submit a new Consultant Application or Business Entity Registration Form, as applicable, and otherwise meet all the eligibility requirements to become a Consultant;
- comply with the terms and provisions of the Consultant Agreement; and
- meet all the qualifications for the deceased Consultant's level and title.

In the case of a Transferee that is a trust, these requirements may be satisfied by the trustee

on behalf of the beneficiaries who would not otherwise meet the eligibility and qualification requirements to become a Consultant. In the event that the Consultant wishes to appoint a trustee on behalf of their minor child(ren), the trust may stay in effect only until the oldest child becomes 18 and is otherwise eligible to assume the Consultant Agreement.

A Consultant Agreement is reliant on the leadership ability of the individual Consultant; therefore if a Consultant's interest in a Consultant Agreement is bequeathed to joint devisees who desire to assume the Consultant's rights and obligations under such Consulting Agreement, they must form a Business Entity, identifying the person responsible for the entity's operation and submit a properly completed and signed Business Entity Registration Form and otherwise comply with all of the requirements for a Business Entity that is a Consultant Agreement, as set forth in these Policies and Procedures. Rodan + Fields will issue all Commission and Achievement Reward payments and one IRS Form 1099 to the new Business Entity.

14e (ii): Incapacity

Upon the incapacity of a Consultant, the Consultant's agent, attorney-in-fact, or legal representative (each of such persons referred to herein as an "Agent") may act on behalf of such Consultant under an applicable Consultant Agreement, subject to the conditions and requirements of this Section and applicable law. However, an Agent may not act on behalf of a Consultant under the applicable Consultant Agreement if Rodan + Fields determines, in its sole discretion, that the Consultant Agreement, other Consultants in the applicable Upline, or Rodan + Fields will be adversely affected by reason of such action; provided, however, that Rodan + Fields's exercise of such discretion shall be subject to any limitations under applicable law. Alternatively, an Agent may request that the applicable Consultant Agreement be placed on a Volume Hold Period. Please consult Section 12h to learn more about Volume Hold Period requests.

Appropriate legal documentation must be submitted to Rodan + Fields in connection with any action by an Agent under this Section. Accordingly, each Consultant should consult their attorney to assist in the preparation of a power of attorney or other legal instrument that will authorize an Agent to act on behalf of such Consultant under their Consultant Agreement.

In order for an Agent to act on behalf of an incapacitated Consultant, the Agent must provide the following to Rodan + Fields:

- the power of attorney or other legal instrument authorizing the Agent to act on behalf of the Consultant under their Consultant Agreement, in a form acceptable to Rodan + Fields; and
- such other documents as Rodan + Fields may require in its sole discretion, including, without limitation, an affidavit from the Agent stating that the power of attorney or other legal instrument remains effective at the time it is presented to Rodan + Fields and/or an indemnification agreement from the Agent.

14f. All Other Transfers by Consultants Prohibited:

Except as expressly permitted by this Section 14 with Rodan + Fields' prior written approval, Consultants shall not assign, sell, transfer, delegate or otherwise dispose of, whether voluntarily or involuntarily, by operation of law or otherwise, the Consultant Agreement, or any rights or obligations under the Consultant Agreement. Any purported assignment of the Consultant Agreement, including for the sale, transfer, delegation or other disposition of the Consultant Agreement, except as permitted herein, will be null and void.

SECTION 15: TERMINATION AND SUSPENSION

15a. Voluntary Termination:

A Consultant has the right to terminate the Consultant Agreement (and thereby end the Consultant Agreement) at any time regardless of the reason. Consultants who voluntarily terminate must begin the termination process by completing and submitting a Termination Notice Form, as found in the Library, or by submitting a properly completed and signed Termination Notice Form to the Sales Support Department at SalesSupport@rodanandfields.com that will be effective when received and processed by Rodan + Fields. (Please allow seven to ten (7-10) Business Days for processing once the termination request has been received.) A Consultant may also voluntarily terminate the Consultant Agreement by electing not to renew as described in Section 5l, or by selling, assigning, or otherwise transferring the Consultant Agreement, as described in Section 14. In addition, failure to renew the Consultant Agreement is considered voluntary termination, as described in Section 5l.

The return of a Business Starter Pack within one (1) year after activation will be considered a voluntary termination of the Consultant Agreement by the Consultant as described in Section 5a.

A Consultant who terminates their Consultant Agreement on a voluntary basis shall have the right to seek to re-enroll in the Rodan + Fields Program pursuant to the provisions of Section 15d of these Policies and Procedures.

15b. Involuntary Termination:

In addition to the imposition of any remedial action described in Section 16, Rodan + Fields reserves the right to terminate the Consultant Agreement of any Consultant who, in the reasonable judgment of Rodan + Fields, fails to provide required information including, but not limited to, Social Security Number or Federal Tax Identification Number, or has violated the terms of the Consultant Agreement, or for acts or omissions which Rodan + Fields reasonably deems to be harmful to the interests of other Consultants, Customers or Rodan + Fields. Comments or social media posts that state, hint at, or allude to the fact that a Consultant is no longer an R+F Independent Consultant will be considered a public announcement of the termination of their Consultant Agreement with R+F. Consultants should recognize that the previously stated action may, without limitation, result in a notice of non-compliance and/or where appropriate, termination of the Consultant Agreement.

Involuntary termination shall be effective upon Rodan + Fields' notice to Consultant.

A Consultant who has their Consultant Agreement terminated on an involuntary basis may seek to re-enroll in the Rodan + Fields Program by submitting a formal written request after the one (1) year anniversary of the termination date. Rodan + Fields, however, reserves the right to reject any such request in its sole discretion, to the extent permitted by applicable law. If Rodan + Fields accepts the re-enrollment request, the Consultant must complete a new Consultant Agreement and purchase a new Business Starter Pack. A re-enrolled Consultant will have no access or rights to any Downline organization that may have existed under their prior Consultant Agreement.

15c. Effect of Termination:

Upon any expiration or termination of a Consultant Agreement, the former Consultant shall have no right, title, claim or interest to the Consultant Agreement or Downline that they operated, or to the opportunity to receive any Commissions or Achievement Rewards from future sales generated by the Consultant Agreement or Downline. A Consultant whose Consultant Agreement is terminated will lose all rights to participate in or benefit from the Program. This includes the right to sell the R+F Products, act as a Sponsor, use any R+F Trademarks or other R+F Content for any purpose, and the right to receive future Commissions and Achievement Rewards or other income resulting from sales and other activities of the Consultant's former Downline. In the event of termination, all licenses granted to the Consultant hereunder, if any, shall automatically terminate, and the terminated Consultant agrees to waive all rights, if any, they may have, including but not limited to, property rights, if any, to their former Downline and any Commissions and Achievement Rewards or other amounts derived from the future sales and other activities of such Downline.

Former Consultants shall not hold themselves out as Consultants and shall not have the right to sell the R+F Products, sponsor other Consultants or otherwise participate in the Program. Consultants whose Consultant Agreements are terminated shall receive Commissions and Achievement Rewards for the last full Commission Period in which they were active and qualified prior to termination (less any amounts withheld during any suspension preceding an involuntary termination, any outstanding balance that may exist on the Consultants' accounts, or any other amounts that may be owed to Rodan + Fields). Achievement Rewards are only eligible to those Consultants who hold an active Consultant Agreement. For information regarding inactive RF Payday Accounts and unclaimed Commissions, Achievement Rewards and credits, refer to Section 12g. Rodan + Fields will not be liable to any Consultant for damages of any kind solely as a result of terminating a Consultant Agreement in accordance with the terms set forth herein, and termination of the Consultant Agreement will be without prejudice to any other right or remedy of Rodan + Fields under the Consultant Agreement or applicable law.

Upon any expiration or termination of the Consultant Agreement, the following sections of these Policies and Procedures shall survive and continue: Sections 2, 3b, 5j (with respect to Beneficial Owners' obligations related to their respective Business Entities), 6g (with respect

to the confidentiality of Performance Reports (Downline Activity)), 6j, 6k, 6m, 6n (with respect to each of 6m and 6n, any Confidential Information or Customer Data retained by Consultants after termination), 6p, 6q, 6r, 11a, 11d, 11h, 12c, 13, 14f, 15c, 16, 17 and 18i.

15d. Re-Enrollment:

A Consultant who has voluntarily terminated the Consultant Agreement, either through non-renewal or by selling, assigning, or otherwise transferring the Consultant Agreement in accordance with Section 14, may re-enroll as a Consultant by purchasing a Business Starter Pack, and the Consultant will be provided a new Identification Number. Re-enrollment timelines: (i) If a Consultant wishes to re-enroll within six (6) months of the deactivation date they must remain under their same sponsor; or (ii) If a Consultant wishes to re-enroll more than six (6) months after the deactivation date, they may enroll under any Rodan + Fields Consultant. Please contact the Sales Support Department at SalesSupport@rodanandfields.com for instructions on how to re-enroll. Please note: the Consultant's Downline organization will remain with the Upline Consultant, which is where it was placed when the Consultant voluntarily terminated.

15e. Cessation of Business:

Rodan + Fields expressly reserves the right to terminate all Consultant Agreements upon thirty (30) days written notice (or upon such shorter notice as required by unforeseen circumstances) in the event it elects to: (i) cease business operations; (ii) dissolve as a business entity; or (iii) terminate distribution of its products via direct selling.

SECTION 16: REMEDIAL ACTIONS, GRIEVANCES, AND COMPLAINTS

16a. Remedial Actions:

A violation of the Consultant Agreement, or any act or omission that Rodan + Fields determines in its sole discretion may damage its reputation or goodwill, by a Consultant, or their employees, independent contractors or agents, may be considered a breach of the Consultant Agreement. Rodan + Fields will provide a notice of breach and a reasonable opportunity to cure the same, except that in instances where Rodan + Fields reasonably determines in its sole discretion that such breach is egregious and/or is not capable of being cured within a reasonable cure period, and/or is part of a repeated pattern of breaches, Rodan + Fields reserves the right to immediately terminate the Consultant Agreement upon notice. Measures Rodan + Fields may take could include one or more of the following:

- a notice email or telephone call;
- issuance of a written warning letter to the offending Consultant;
- requiring the offending Consultant to take immediate corrective measures;
- the withholding of all or part of the offending Consultant's Commissions; or Achievement Rewards or eligibility for Achievement Rewards during the period that Rodan + Fields is investigating any conduct allegedly in breach of the Consultant Agreement or as a result of Rodan + Fields' determination that such withholding is

required in light of the circumstances. If the Consultant Agreement is ultimately terminated, the Consultant will not be entitled to recover any Commissions or Achievement Rewards withheld during the investigation period;

- suspension of the offender's Consultant Agreement, including suspension of payment of Commissions or entitlement to Achievement Rewards for one or more Commission Periods;
- involuntary termination of the offender's Consultant Agreement;
- any other measure permitted by applicable law, whether expressly allowed within any provisions of the Consultant Agreement or which Rodan + Fields deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the offending Consultant's policy violation or contractual breach; and
- in situations deemed appropriate by Rodan + Fields, the Company may institute legal proceedings for monetary and/or equitable relief.

16b. Grievances and Complaints:

When a Consultant has a grievance or complaint with another Consultant regarding any practices or conduct in relationship to their Consultant Agreement, the complaining Consultant should first report the problem to their Sponsor. If the matter cannot be resolved, it may be reported in writing to the Compliance Department by filling out a Grievance Report Form available in the Library. If a Consultant has a complaint of harassment or other inappropriate conduct on the part of an employee or representative of Rodan + Fields, the Consultant may file a report with the Compliance Department without first reporting the issue to their Sponsor. The Compliance Department will review the facts and may attempt to assist the Consultant to resolve the issue.

If the issue is such that a Consultant feels threatened with serious bodily harm or believes they are the victim of financial fraud or other criminal activity, then the Consultant should contact law enforcement authorities and file a police report.

SECTION 17: WARRANTIES; LIMITATION OF LIABILITY; INDEMNIFICATION

17a. Warranty; Disclaimer:

Rodan + Fields warrants to Consultants that the R+F Products as and when delivered by Rodan + Fields shall be free from material defects. Rodan + Fields' sole obligation to Consultants, and Consultants' sole and exclusive remedy, for breach of this warranty shall be to return any defective R+F Product and receive a replacement or refund as described in Section 10. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, RODAN + FIELDS HEREBY DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE R+F PRODUCTS, THE PROGRAM, R+F MARKETING MATERIALS, R+F BUSINESS SUPPLIES, AND ANY OTHER SUBJECT MATTER OF THE CONSULTANT AGREEMENT, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NONINFRINGEMENT, ACCURACY OR COMPLETENESS OF

CONTENT, RESULTS, LACK OF NEGLIGENCE OR LACK OF WORKMANLIKE EFFORT, AND CORRESPONDENCE TO DESCRIPTION.

17b. Limitation of Liability:

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY OR ANY FAILURE OF ESSENTIAL PURPOSE, IN NO EVENT SHALL A CONSULTANT OR RODAN + FIELDS (INCLUDING ANY OF ITS RELATED PARTIES (AS DEFINED IN SECTION 18i)) BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE, HOWEVER CAUSED, ARISING OUT OF OR RELATED TO THE CONSULTANT AGREEMENT OR THE SUBJECT MATTER HEREOF (INCLUDING BUT NOT LIMITED TO THE R+F PRODUCTS, THE PROGRAM, R+F MARKETING MATERIALS OR R+F BUSINESS SUPPLIES), WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT OR OTHER THEORY OF LIABILITY (INCLUDING BUT NOT LIMITED TO NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE CONSULTANT OR RODAN + FIELDS (OR ANY OF ITS RELATED PARTIES) HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN JURISDICTIONS THAT DO NOT GIVE EFFECT TO LIMITED LIABILITY OR EXCULPATORY CLAUSES, THIS PROVISION IS NOT APPLICABLE. IN JURISDICTIONS THAT ALLOW FOR EXCULPATORY OR LIMITED LIABILITY CLAUSES IN A LIMITED MANNER, THIS PROVISION IS APPLICABLE TO THE FULLEST EXTENT ALLOWED BY THE LAW OF SUCH JURISDICTION.

17c. Indemnification:

Each Consultant agrees to indemnify, defend and hold harmless Rodan + Fields (together with its Related Parties as defined in Section 18i), its agents, other Consultants, stockholders, members, employees, directors, officers and attorneys (collectively "Indemnified Parties") from and against any and all losses or liabilities (including attorneys' fees) they may suffer or incur as a result of such Consultant's actions or inactions, or breach or alleged breach of the Consultant Agreement, including, without limitation, any terms or conditions of these Policies and Procedures.

SECTION 18: MISCELLANEOUS; DISPUTE RESOLUTION

18a. Severability:

If any provision of the Consultant Agreement is determined to be invalid or unenforceable, in whole or in part, such provision shall be reformed only to the extent necessary to make it enforceable, and the remaining part of such provision and all other provisions of the Consultant Agreement will continue in full force and effect to the maximum extent possible so as to effect the intent of the parties, or if incapable of such reform, only such limited portion of the provision that is held to be void or unenforceable shall be deleted from the Consultant Agreement, and the remainder of the Consultant Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect.

18b. Waivers:

The waiver by either party of a breach of or a default under any provision of the Consultant Agreement will not be effective unless in writing and will not be construed as a waiver of any subsequent breach of or default under the same or any other provision of the Consultant Agreement, nor will any delay or omission on the part of either party to exercise or avail itself of any right or remedy that it has or may have hereunder operate as a waiver of any right or remedy.

18c. Governing Law:

The Consultant Agreement, which includes the Policies and Procedures, is to be construed in accordance with and governed by the laws of Delaware, without regard to its choice of law principles, and the Federal Arbitration Act shall govern the Consultant Agreement's Dispute Resolution Agreement, which is found in Section 18i of the Policies and Procedures, without giving effect to any state law to the contrary.

This Consultant Agreement is intended to govern the terms and conditions that apply to Rodan + Fields Consultants for whom the United States (including the District of Columbia, Puerto Rico or Guam) is their Home Country, regardless of any individual's residence. To the extent that any provision of this Consultant Agreement is not enforceable under applicable law, including Section 16600 of the California Business and Professions Code, which prohibits contracts that restrain persons from engaging in a lawful profession, trade or business of any kind, the parties agree to renegotiate such provision in good faith. In the event the parties cannot reach mutually agreeable and enforceable replacement for such provision, then: a) such provision shall be stricken from this Agreement; b) the balance of this Agreement shall be interpreted as if such provision were excluded; and c) the balance of this Agreement shall be enforceable in accord with its terms.

18d. Right to Use Third Parties:

Notwithstanding anything to the contrary in the Consultant Agreement, Rodan + Fields may use Consultants or other contractors in connection with the performance of its obligations and the exercise of its rights under the Consultant Agreement.

18e. Force Majeure:

Rodan + Fields will not be liable to any Consultant for failure or delay in performing its obligations hereunder if such failure or delay is due to circumstances beyond its reasonable control, including acts of any governmental body, war, insurrection, sabotage, embargo, fire, flood, strike or other labor disturbance, interruption of or delay in transportation, unavailability of or interruption or delay in telecommunications or third-party services, or inability to obtain raw materials, supplies, equipment or power needed to perform hereunder.

18f. Interpretation:

For purposes of interpreting the Consultant Agreement: (i) headings are for reference

purposes only and will not be deemed a part of the Consultant Agreement; (ii) unless the context otherwise requires, the singular includes the plural and the plural includes the singular; (iii) unless otherwise specifically stated, the words "herein," "hereof," and "hereunder," and other words of similar import refer to the Consultant Agreement as a whole and not to any particular section or paragraph; and (iv) the words "include" and "including" shall not be construed as terms of limitation and shall therefore mean "including but not limited to" and "including without limitation."

18g. Entire Agreement:

The Consultant Agreement, along with all documents incorporated by reference, in their current form and as amended by the Company in its sole discretion, constitute the entire agreement of the parties hereto with respect to its subject matter. The Consultant Agreement supersedes all previous, contemporaneous, inconsistent agreements, negotiations, representations and promises between the parties, written or oral, regarding the subject matter hereunder. There are no oral or written collateral representations, agreements or understandings except as provided herein.

18h. Notices:

Except as otherwise expressly set forth in the Consultant Agreement, all notices required or permitted by the Consultant Agreement shall be in writing and sent to the party to be notified. Notices to Rodan + Fields shall be sent to Rodan & Fields, LLC, 3001 Bishop Dr #450, San Ramon, CA 94583, Attention: Legal, or by email to Legal@rodanandfields.com. Notices to a Consultant shall be sent via email to the email address on the applicable Consultant Application or updated Consultant Account Profile or by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile, or certified or registered mail.

18i. Dispute Resolution:

THIS PROVISION CONTAINS AN AGREEMENT THAT AFFECTS HOW CLAIMS A CONSULTANT MAY HAVE AGAINST RODAN + FIELDS, OR CLAIMS RODAN + FIELDS MAY HAVE AGAINST A CONSULTANT, WILL BE RESOLVED. THE PARTIES UNDERSTAND AND AGREE THAT THE DISPUTE RESOLUTION AGREEMENT IN SECTION 18i OPERATES AS A SEPARATE AND DISTINCT AGREEMENT THAT IS SEVERABLE FROM THE REMAINDER OF THE CONSULTANT AGREEMENT AND IS ENFORCEABLE REGARDLESS OF THE ENFORCEABILITY OF ANY OTHER PROVISION OF THE CONSULTANT AGREEMENT OR THE CONSULTANT AGREEMENT AS A WHOLE. CONSIDERATION FOR THIS DISPUTE RESOLUTION AGREEMENT INCLUDES, WITHOUT LIMITATION, THE PARTIES' MUTUAL AGREEMENT TO ARBITRATE CLAIMS. THE PARTIES FURTHER UNDERSTAND AND AGREE THAT THE UNENFORCEABILITY OF THE CONSULTANT AGREEMENT IN WHOLE OR IN PART SHALL NOT SUPPORT A FINDING THAT THE DISPUTE RESOLUTION AGREEMENT IN SECTION 18i IS UNENFORCEABLE. THE FEDERAL ARBITRATION ACT ("FAA") SHALL GOVERN THE DISPUTE RESOLUTION AGREEMENT IN THIS SECTION 18i WITHOUT GIVING EFFECT TO ANY STATE LAW TO THE CONTRARY.

Any controversy, claim or dispute of whatever nature arising between Consultant, on the one hand, and Rodan + Fields and/or the Related Parties (as defined below), on the other, including but not limited to those arising out of or relating to the Consultant Agreement including these Policies and Procedures or the breach thereof, the sale, purchase or use of the R+F Products or Business Starter Packs, or the commercial, economic or other relationship of Consultant and Rodan + Fields and/or the Related Parties (for purposes of this Section 18i, each a "party"), whether such claim is based on rights, privileges or interests recognized by or based upon statute, contract, tort, common law or otherwise ("Dispute"), and any Dispute as to the arbitrability of a matter under this provision, shall be settled through negotiation, mediation or arbitration, as provided in this Section 18i.

If a Dispute arises, the parties shall first attempt in good faith to resolve it promptly by negotiation. Any of the parties involved in the Dispute may initiate negotiation by providing notice (the "Dispute Notice") to each involved party setting forth the subject of the Dispute and the relief sought by the party providing the Dispute Notice, and designating a representative who has full authority to negotiate and settle the Dispute. Within ten (10) Business Days after the Dispute Notice is provided, each recipient shall respond to all other known recipients of the Dispute Notice with notice of the recipient's position on and recommended solution to the Dispute, designating a representative who has full authority to negotiate and settle the Dispute. Within twenty (20) Business Days after the Dispute Notice is provided, the representatives designated by the parties shall confer either in person at a mutually acceptable time and place or by telephone, and thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute.

At any time twenty (20) Business Days or more after the Dispute Notice is provided, but prior to the initiation of arbitration, regardless of whether negotiations are continuing, any party may submit the Dispute to JAMS for mediation by providing notice of such request to all other concerned parties and providing such notice and a copy of all relevant Dispute Notices and notices responding thereto to JAMS. In such case, the parties shall cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in promptly scheduling the mediation proceedings, and shall participate in good faith in the mediation either in person at a mutually acceptable time and place or by telephone, in accordance with the then-prevailing JAMS's mediation procedures and this Section, which shall control.

Any Dispute not resolved in writing by negotiation or mediation shall be subject to and shall be settled exclusively by final, binding arbitration before a single arbitrator or, for Disputes in excess of \$2 million, a panel of three arbitrators, in San Francisco, California, in accordance with the then-prevailing Comprehensive Arbitration Rules of JAMS, Inc. No party may commence Arbitration with respect to any Dispute unless that party has pursued negotiation and, if requested, mediation, as provided herein, provided, however, that no party shall be obligated to continue to participate in negotiation or mediation if the parties have not resolved the Dispute in writing within sixty (60) Business Days after the Dispute Notice was provided to any party or such longer period as may be agreed by the parties. Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as an arbitrator in the case. The parties understand and agree that if the arbitrator or arbitral panel awards any relief that is inconsistent with the Limitation of Liability provision in Section 17b

herein, such award exceeds the scope of the arbitrator's or the arbitral panel's authority, and any party may seek a review of the award in the exclusive jurisdiction and venue of the courts of the State of California residing in the City of San Francisco, California.

Notwithstanding the foregoing, venue and jurisdiction for any claims or disputes arising under or relating to the Consultant Agreement brought by residents of Louisiana shall be established pursuant to Louisiana law.

THE NEGOTIATION, MEDIATION OR ARBITRATION OF ANY DISPUTE SHALL BE LIMITED TO INDIVIDUAL RELIEF ONLY AND SHALL NOT INCLUDE CLASS, COLLECTIVE OR REPRESENTATIVE RELIEF. IN ANY ARBITRATION OF A DISPUTE, THE ARBITRATOR OR ARBITRAL PANEL SHALL ONLY HAVE THE POWER TO AWARD INDIVIDUAL RELIEF AND SHALL NOT HAVE THE POWER TO AWARD ANY CLASS, COLLECTIVE OR REPRESENTATIVE RELIEF. THE PARTIES UNDERSTAND AND AGREE THAT EACH IS WAIVING THE RIGHT TO TRIAL BY JURY OR TO PARTICIPATE IN A CLASS, COLLECTIVE OR OTHER REPRESENTATIVE ACTION. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, ANY PARTY MAY BRING CLAIMS PURSUANT TO CALIFORNIA'S PRIVATE ATTORNEYS GENERAL ACT ("PAGA"), PROVIDED, HOWEVER, THAT TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY PAGA CLAIMS SHALL BE EXCLUSIVELY ARBITRATED IN ACCORDANCE WITH THIS SECTION 18i, AND THE ARBITRATOR OR ARBITRAL PANEL SHALL HAVE AUTHORITY TO AWARD ANY AND ALL RELIEF AVAILABLE UNDER PAGA.

The parties agree that Rodan + Fields has valuable trade secrets and proprietary and confidential information. The parties agree to take all necessary steps to protect from public disclosure such trade secrets and proprietary and confidential information.

To the fullest extent allowed by law: 1) the costs of negotiation, mediation and arbitration, including fees and expenses of any mediator, arbitrator, JAMS, or other persons independent of all parties acting with the consent of the parties to facilitate settlement, shall be shared in equal measure by Consultant, on the one hand, and Rodan + Fields and any Related Parties involved on the other, except where applicable law requires that Rodan + Fields bear any costs unique to arbitration (which Rodan + Fields shall bear); and 2) the arbitrator or arbitral panel or, in the case of provisional or equitable relief or to challenge an award that exceeds arbitral authority as described in this Section 18i, the court, shall award reasonable costs and attorneys' fees to the person or entity that the arbitrator, arbitral panel, or court finds to be the prevailing party; provided, however, that if fees are sought under a statute or rule that sets a different standard for awarding fees or costs, then that statute or rule shall apply.

Although the Consultant Agreement is made and entered into between Consultant and Rodan + Fields, Rodan + Fields' affiliates, owners, members, managers and employees ("Related Parties") are intended third-party beneficiaries of the Consultant Agreement for purposes of the provisions of the Consultant Agreement referring specifically to them, including this agreement to negotiate, mediate and arbitrate. The parties acknowledge that nothing contained herein is intended to create any involvement by, responsibility of, or liability for, the Related Parties with respect to any dealings between Consultant and Rodan + Fields, and the parties further acknowledge that nothing contained herein shall be argued by either of them

to constitute any waiver by the Related Parties of any defense which Related Parties may otherwise have concerning whether they can properly be made a party to any dispute between the other parties.

Any party may seek specific performance of this Section, and any party may seek to compel each other party to comply with this Section by petition to any court of competent jurisdiction. For purposes of any provisional or equitable relief sought under this Section, the parties consent to exclusive jurisdiction and venue in the courts of the State of California residing in the City of San Francisco, or the United States District Court for the Northern District of California, residing in San Francisco, California. The pendency of mediation or arbitration shall not preclude a party from seeking provisional remedies in aid of the arbitration from a court of appropriate jurisdiction, and the parties agree not to defend against any application for provisional relief on the ground that mediation or arbitration is pending.

Nothing in this Section shall preclude any party from seeking interim or provisional relief concerning the Dispute, including a temporary restraining order, a preliminary injunction, or an order of attachment, either prior to or during negotiation, mediation or arbitration. In the event any portion of this Section 18i is found to be unenforceable, such portion shall be severable from the remainder of this Section 18i, which shall remain in full force and effect.

ANY AMENDMENT BY RODAN + FIELDS TO THE DISPUTE RESOLUTION AGREEMENT IN THIS SECTION 18i SHALL ONLY TAKE EFFECT UPON A CONSULTANT'S EXPRESS AGREEMENT TO SUCH AMENDMENT. A CONSULTANT MAY INDICATE HER OR HIS AGREEMENT TO SUCH PROPOSED AMENDMENT BY FOLLOWING THE INSTRUCTIONS THAT WILL APPEAR WHEN LOGGING IN TO THE R+F CORPORATE WEBSITE OR, THE CONSULTANT'S PERSONAL WEBSITE. RODAN + FIELDS MAY TERMINATE THE CONSULTANT AGREEMENT OF ANY CONSULTANT WHO DOES NOT AGREE TO A PROPOSED AMENDMENT TO THE DISPUTE RESOLUTION AGREEMENT IN SECTION 18i WITHIN THIRTY (30) DAYS AFTER THE EFFECTIVE DATE OF THE AMENDMENT. ANY SUCH AMENDMENT SHALL APPLY TO ALL CLAIMS BROUGHT BY RODAN + FIELDS OR THE CONSULTANT ON OR AFTER THE EFFECTIVE DATE OF THE AMENDMENT, REGARDLESS OF THE DATE OF OCCURRENCE OR ACCRUAL OF ANY FACTS UNDERLYING SUCH CLAIM.

APPENDIX A: COMPENSATION PLAN

SECTION 1: INTRODUCTION

The Compensation Plan (this "Compensation Plan") identifies the earning opportunities available to Consultants and sets forth the sales and organizational requirements necessary to earn Commissions and Achievement Rewards under this Compensation Plan. This Compensation Plan is designed to compensate Consultants for their sales of R+F Products that are facilitated through their Personal Websites (PWS) and/or the R+F Website, including (i) their own sales directly to Customers and (ii) sales that are made to Customers by the sales organization that such Consultants develop. Earning potential under this Compensation Plan is based upon the effectiveness as sales representatives for R+F Products of (i) the Consultants; and (ii) the people who join the Consultants' sales organizations and make sales to end users. Earning potential under this Compensation Plan is not based upon financial investment in the Program. This Compensation Plan is incorporated into and made a part of the Policies and Procedures. As provided in Section 2 of the Policies and Procedures, Rodan + Fields may, at any time, revise the Consultant Agreement (including the Policies and Procedures and this Compensation Plan), which revisions shall become effective thirty (30) days after notice thereof is provided. Consultants must check the R+F Website and the Library frequently for revised Policies and Procedures (including this Compensation Plan). Except where otherwise indicated in Section 2, Consultants' continued participation in the Program following the effective date of the amended Policies and Procedures (including this Compensation Plan) constitutes acceptance of any changes or additions.

There are five (5) ways in which Consultants may be eligible to earn compensation through Product sales under this Compensation Plan:

- through Customer Commissions on sales (at selling price) of R+F Products that are sold to Customers;
- through Consultant Commissions on sales of R+F Products sold through a Consultant's PWS or the R+F website;
- through Personal Team Commissions; and
- through Generation Commissions paid based on achieved Title; and
- through Achievement Rewards that are offered by Rodan + Fields from time to time for sales achievements, in Rodan + Fields sole discretion.

For more detailed information, please see Section 9 below. Consultants also have the opportunity to sell Products directly to their personal Customers for a profit that is earned outside the Compensation Plan.

As with any other sales opportunity, the compensation earned by Consultants varies significantly. The success or failure of each Consultant in relation to R+F Products Sales, pursuant to their Consultant Agreement, depends on each Consultant's own individual capacity, business experience, expertise, skills, personal effort and motivation. Rodan + Fields

is a product-driven company that strongly encourages people to try R+F Products as a Customer before deciding to participate as a Consultant and build a business. See the Income Disclosure Statement posted on the R+F Website for information on typical Rodan + Fields Consultant earnings.

SECTION 2 : DEFINITIONS

As used in this Compensation Plan, the following terms have the respective meanings set forth below:

Achievement Rewards

In addition to Earnings available through the Compensation Plan, Consultants have the opportunity to earn additional income from time to time through Achievement Rewards. Achievement Rewards may be earned by Consultants based on eligibility and performance metrics defined in the terms and conditions of each Achievement Rewards program. Applicable Achievement Rewards programs terms and conditions can be found in the Library.

Active Consultant (C)

Active Consultant is a Title earned by a Consultant who is in compliance with the terms of the Consultant Agreement and qualifies to earn Level 1 Commissions as a result of achieving a minimum Sales Volume (SV) of 100 for the Commission Period.

Commissions

Any payout to a Consultant on Commissionable Volume or consisting of Customer Commissions, all in accordance with the terms of this Compensation Plan.

Commission Period

The timeframe for which Commissions are processed determines which sales will be included when calculating Commissions.

Commissionable Volume (CV)

During any Commission Period, CV is the value of the Commissionable Volume assigned to each commissionable Product for calculation of a Consultant's Level 1 Commissions, Personal Team Commissions and Generation Commissions. This volume may be different than Qualifying Volume (QV) and may differ by country of sale.

Compression

Changes to the Performance Lineage due to a Termination or due to a Roll Around. When a Compression occurs due to the Sponsor's termination, the Consultant's new Performance Sponsor becomes the next upline Participating Consultant.

Consultant (C*)

Consultant (C*) is the Title of a Participating Consultant who has not yet achieved the 100 SV qualification and therefore is only qualified to earn Customer Commissions.

Customer Commissions

Under the Compensation Plan, Customer Commissions are earned by a Consultant with respect to purchases made by the Consultant's Retail Customers or Preferred Customers, via Rodan + Fields systems, including a Consultant's PWS or the R+F Website. Customer Commissions are calculated as a percentage of the price paid by such customers on commissionable Products.

Downline

With respect to any Consultant: (a) the organization consisting of the Consultants directly or indirectly sponsored by said Consultant; and (b) the Preferred Customers of such directly or indirectly sponsored Consultant.

Earnings

Earnings is the amount attributable to Commissions and Achievement Rewards, less any return adjustments related to Product returns.

Enrollment Sponsor

Enrollment Sponsor is the Sponsor selected by a Consultant upon enrollment.

Executive Consultant (EC)

The first advancement Title an Active Consultant may obtain by achieving a monthly minimum of 100 in Sales Volume (SV) and a minimum of 800 in Group Volume (GV) to be eligible to earn Commissions as an Executive Consultant.

Executive Consultant Group (EC Group) or Personal Team

L1 Consultants of an Executive Consultant down to and including the first EC in each Downline Leg and includes the Preferred Customers of those Consultants. Executive Consultant Groups are used in relation to Generations. Personal Team is used in reference to a single Executive Consultant and their Generation 0.

Executive Consultant Leg (EC Leg)

Any Level 1 Consultant, and all of their Downline, in a Consultant's Performance Lineage in which there is at least one Executive Consultant.

Generations

All Executive Consultant Groups that exist on a specific level in a Consultant's Performance Lineage.

Generation I (G I)

With respect to an Executive Consultant, the EC Groups of each Executive Consultant within such Executive Consultant's Personal Team. For example, if Executive Consultant A's Personal Team includes Executive Consultants B and C, Executive Consultant A's Generation I consists of the EC Group of Executive Consultant B and the EC Group of Executive Consultant C.

Generation II (G II)

With respect to an Executive Consultant, the EC Groups of all Executive Consultants within such Executive Consultant's Generation I.

Generation III (G III)

With respect to an Executive Consultant, the EC Groups of all Executive Consultants within such Executive Consultant's Generation II.

Generation IV (G IV)

With respect to an Executive Consultant, the EC Groups of all Executive Consultants within such Executive Consultant's Generation III.

Generation V (G V)

With respect to an Executive Consultant, the EC Groups of all Executive Consultants within such Executive Consultant's Generation IV.

Generation VI (G VI)

With respect to an Executive Consultant, the EC Groups of all Executive Consultants within such Executive Consultant's Generation V.

Generation Commissions

Generation Commissions are paid on CV generated by an Executive Consultant's Downline Generations, beginning with Generation I through Generation VI. A Consultant may or may not qualify to earn on a Generation depending on the Executive Consultant's Paid-As Title.

Grace Period

Each Executive Consultant or above is entitled to receive one Grace Period:

- during the twelve (12) month period that follows the Executive Consultant's advancement to the Recognition Title of Executive Consultant or above; and
- during any twelve (12) month period that follows the anniversary date of the Executive Consultant's first advancement to the Recognition Title of Executive Consultant provided that the Consultant retains a Recognition Title of Executive Consultant or above.

An Executive Consultant or above may never have more than one Grace Period in any twelve (12) month period. Accordingly, a Grace Period that is not used by an Executive Consultant or above will not be carried over into the following twelve (12) month period in which they are entitled to receive one new Grace Period. A Grace Period may be used for the purpose of maintaining a Title as described herein but may not be used to allow a Consultant to advance to a new Title. An EC can use a Grace Period to:

- satisfy the requirement of a minimum of 800 in GV during a Commission Period. If an EC or above uses a Grace Period, they will continue to be paid at their Qualification Title that existed immediately prior to the Grace Period only if they continue to satisfy the requirement that they must achieve a minimum of 100 SV in each Commission Period and otherwise maintain the applicable required number of EC Legs for that Title; OR
- satisfy the requirement of a minimum of 100 in SV during a Commission Period. If an EC or above uses a Grace Period, they will be paid as a Consultant (C*) but will retain

their Recognition Title and will not lose their organization. If a Grace Period is used to satisfy the 100 SV, the EC will not count as an EC Leg for the EC's Upline in that Commission Period.

An EC or above who has no available Grace Period (having none remaining) and then fails to achieve a minimum of either (i) 100 SV or (ii) 800 in GV during a subsequent Commission Period is downgraded to the Recognition Title of either Consultant (C*) or Active Consultant (C), as applicable. For additional information, refer to Appendix A Section 8.

Group Volume (GV)

With respect to any Consultant, the sum of their Personal Volume (PV) and the PV of all L1 Consultants in the Performance Lineage of that Consultant. Please see definition of PV below.

LI EC – RFX EC

These are the leadership Titles earned by Executive Consultants as they build their Downline organizations and achieve and satisfy the requirements for each new Title in accordance with the provisions of the Compensation Plan. Each new Title requires the Consultant to maintain 100 in Sales Volume (SV) and 800 Group Volume (GV) and is based on the number of new Downline Consultants that they help to advance to EC and/or Level V or higher on their Personal Team through Product sales.

Leg

Each L1 Consultant and all of their Downline Consultants. Executive Consultant Legs and Level V EC Legs are required for advancement and Title qualification.

Level 1 (L1)

In the Performance Lineage of a Consultant, L1 consists of all Consultants sponsored by such Consultant and all Preferred Customers of which those Consultants are the Sponsor.

Level 1 Volume (L1V)

The CV of all Level 1 Consultants, in a Consultant's Performance Lineage, that is generated through such Level 1 Consultants' sales to Retail Customers and Preferred Customers or through the Consultants' personal purchase(s).

L1+L2 Qualifying Volume

The total of all Personal Volume (PV) of all L1 and L2 Consultants within the Consultant's Performance Lineage.

L1-L6 Qualifying Volume

The total of all Personal Volume (PV) of all L1 through L6 Consultants within the Consultant's Performance Lineage.

Level V EC Leg Any Level 1 Consultant, and all of their Downline, in a Consultant's Performance Lineage in which there is at least one Paid-As Level V Executive Consultant.

Non-Participating Consultant

A Non-Participating Consultant has a terminated account status in the Rodan + Fields Program.

Paid-As Title

The final Qualification Title for which a Consultant satisfies the highest qualification requirements when calculated at the end of the Commission Period. The Final Qualification Title becomes the Paid-As Title when Commissions are processed and the Consultant receives payment. Paid-As Titles do not change once a Commission Period is paid out and closed.

Participating Consultant

A Consultant has a Participating Consultant account status in the Rodan + Fields Program when:

- The Consultant is in compliance with the requirements of the Consultant Agreement; and
- The Consultant Agreement continues to remain in force and effect (including by renewal) in accordance with the Policies and Procedures and all other applicable terms and conditions.

Performance Lineage aka Placement Tree

A Consultant's lineage based on performance within the Program. The lineage can change as a result of Compressions, which may be the result of either a Roll Around or Termination.

Performance Sponsor aka Placement Sponsor

A Performance Sponsor is a Sponsor to whom a Downline Consultant has been assigned through an enrollment Compression or a Roll Around. A Performance Sponsor may be different from the Enrollment Sponsor.

Personal Team Volume

With respect to any Consultant, their Personal Team Volume consists of

- the CV of Consultants who are directly or indirectly sponsored by that Consultant through the first EC in each Downline Leg in such Consultant's Performance Lineage; and
- the CV of PCs directly sponsored by those Consultants and the CV of the retail sales made directly by those Consultants through Rodan + Fields systems.

Personal Volume (PV)

With respect to a Consultant, the sum of: (a) their Sales Volume (SV); and (b) Qualifying Volume (QV) of all sales of R+F Products made to the Consultant's directly sponsored Preferred Customers.

Qualification Title

The Title, calculated in real time, for which a Consultant satisfies the highest qualification requirements at the time of calculation during the current Commission Period.

Qualifying Volume (QV)

During any Commission Period, QV is the value of the Qualifying Volume assigned to each commissionable Product for calculation of a Consultant's qualifications for Titles and Achievement Rewards. The categories of Qualifying Volume (QV) are as follows: SV, PV, GV, L1+L2 Qualifying Volume, and L1-L6 Qualifying Volume.

Qualifying Volume Contribution Limit

The maximum QV a Consultant may generate based on personally purchased Products. For the first three (3) months after a Consultant is enrolled, the Qualifying Volume (QV) Contribution Limit is 600 QV per Commission Period. After the first three (3) months, the Qualifying Volume (QV) Contribution Limit is 400 QV per Commission Period.

Recognition Title

The highest Paid-As Title that a Consultant achieved during the prior three (3) Commission Periods under the Compensation Plan, provided that an Executive Consultant or above has not been downgraded to a Paid-As Title of Consultant (C*) or Active Consultant (C) without the use of a Grace Period. When a Consultant receives a Paid-As Title of C* or C for Commission Period without the use of a Grace Period, the Consultant's Recognition Title is immediately changed to the Consultant's Paid-As Title for the Commission Period.

Roll Around

Roll Around for Non-Advancement ("Timer")

When a Downline Consultant advances to an EC or above, the Upline Consultant (direct or indirect Sponsor) has four Commission Periods to advance to an EC or above (sometimes referred to as a "Timer"). If the Upline Consultant fails to advance to an EC or above in the four Commission Periods, the Downline EC Leg rolls around the Upline Consultant to the next Upline EC in the Performance Lineage and is recognized as an EC Leg for that Upline EC. This effectively removes this EC Leg permanently from the Performance Lineage of the Consultant from which the EC Leg is rolling around. For more information, refer to Appendix A, Section 7.

Roll Around for Downgrade

When an EC or above fails to meet Executive Qualification of either (i) 100 SV or (ii) 800 GV with no eligible Grace Period, the EC will be downgraded to Recognition Title of Consultant effective upon the close of that Commission Period. A Downline EC Leg recognized in the prior Commission Period that maintains EC status in the Commission Period in which the Upline Consultant is downgraded rolls around the Upline Consultant to the next Upline EC in the Performance Lineage and is recognized as an EC Leg for that Upline EC. This effectively removes this EC Leg permanently from the Performance Lineage of the Consultant from which the EC Leg is rolling around. All qualification categories (SV, PV, GV, L1+L2, L1-L6) are then calculated based on this new Performance Lineage.

In the scenario where a potential Roll Around for non-advancement is in direct conflict with an immediate Roll Around for downgrade, the immediate Roll Around of the Downline EC Leg for downgrade will take precedence. For more information refer to Appendix A. Section 8.

Sales Volume (SV)

SV consists of:

- Qualifying Volume (QV) of sales made directly from Rodan + Fields to a Consultant's Retail Customers; and/or
- Qualifying Volume (QV) of a Consultant's personal purchases either for personal consumption or for resale of products, subject to the Qualifying Volume (QV) Contribution Limit.

Title

Position in the Rodan + Fields Program.

Upline

With respect to a Consultant, the Consultants who directly or indirectly sponsored said Consultant.

SECTION 3: VOLUME

Qualifying Volume (QV)

Qualifying Volume (QV) is the volume on which qualifications for Titles, and Achievement Rewards are based. This volume may be different than the Commissionable Volume (CV) and may differ by country.

Categories of Qualifying Volume (QV)

The following categories of Qualifying Volume (QV) are used to determine eligibility for Titles and Achievement Rewards:

- SV;
- PV;
- GV;
- L1+L2 Qualifying Volume; and
- L1-L6 Qualifying Volume.

Commissionable Volume (CV)

With respect to a Consultant's Performance Lineage during any Commission Period, CV is the value of the Commissionable Volume assigned to each commissionable Product for calculation of Level 1 Commissions, Personal Team Commissions, and Generational Commissions. CV may differ by country of purchase and may be different than Qualifying Volume (QV).

SECTION 4: RECOGNITION TITLES AND QUALIFICATIONS

The Recognition Titles and the necessary qualifications to achieve such Recognition Titles are described below.

a. Active Consultant (C)

A Participating Consultant achieves the Title of Active Consultant when they achieve a minimum of 100 SV. In order for a Consultant to maintain their status as an Active Consultant, they must achieve a minimum of 100 in SV on a monthly basis. An Active Consultant is not entitled to any Grace Period to satisfy the requirement that they must achieve a minimum of 100 in SV during a Commission Period in order to maintain their status as an Active Consultant.

A Consultant maintains the Title of Active Consultant for subsequent months until the earlier of the occurrence of one of the following events:

- the advancement of such Consultant to the Recognition Title of Executive Consultant in accordance with this Compensation Plan;
- Consultant fails to achieve 100 SV in a Commission Period resulting in a title change to Consultant (C*); or
- the Termination of such Consultant's Consultant Agreement in accordance with the Policies and Procedures or other applicable terms and conditions.

b. Executive Consultant (EC)

Executive Consultant is the next higher Title to which an Active Consultant may be advanced if they satisfy the following qualification requirements (the "Executive Consultant Qualification Requirements") during any given Commission Period: (i) achieving a minimum of 100 in SV; and (ii) achieving a minimum 800 in GV in Product sales. The advancement to the Recognition Title of Executive Consultant becomes effective for the month in which the Title qualification was achieved at the close of that Commission Period, which is on or around the 15th of the following month.

An Executive Consultant maintains the Recognition Title of Executive Consultant until the occurrence of one of the following events:

- the advancement of such Executive Consultant to the Recognition Title of Level I Executive Consultant in accordance with this Compensation Plan;
- a change in Title from Executive Consultant to Consultant (C*) or Active Consultant (C) as discussed below; or
- the termination of such Consultant's Consultant Agreement.

For any given Commission Period, an Executive Consultant who satisfies the Executive Consultant Qualification Requirements is paid as an Executive Consultant for that Commission Period.

c. Level I Executive Consultant (LI EC)

Level I Executive Consultant, which is a leadership Title, is the next higher Recognition Title to which an Executive Consultant may be advanced if they:

- achieve a minimum of 100 SV and 800 GV (the Consultants' PV and the PV of all L1 Consultants in their lineage); and
- help one Level 1 Consultant (or a Consultant in said Level 1 Consultant's Downline) advance to EC through Product sales (the "Level I Executive Qualification Requirement").

The advancement to the Recognition Title of Level I Executive Consultant becomes effective at the close of the Commission Period for the month in which the advancement was achieved.

For any given Commission Period, a Level I Executive Consultant who satisfies the Executive Consultant Qualification Requirements and the Level I Executive Consultant Qualification Requirement is paid as a Level I Executive Consultant for that Commission Period.

d. Level II Executive Consultant (LII EC)

Level II Executive Consultant, which is a leadership Title, is the next higher Recognition Title to which a Level I Executive Consultant may advance if they:

- achieve a minimum of 100 SV and 800 GV in Product sales; and
- maintains their status as a paid as LI EC AND creates one (1) additional Downline EC Leg (for a total of 2 EC Legs) in their Performance Lineage, by helping at least one (1) additional Level 1 Consultant (or a Consultant in said Level 1 Consultant's Downline) advance to EC through Product sales (the "Level II Executive Qualification Requirement").

The advancement to the Recognition Title of Level II Executive Consultant becomes effective at the close of the Commission Period for the month in which the advancement was achieved.

For any given Commission Period, a Level II Executive Consultant who satisfies the Executive Consultant Qualification Requirements and the Level II Executive Consultant Qualification Requirement is paid as a Level II Executive Consultant for that Commission Period.

e. Level III Executive Consultant (LIII EC)

Level III Executive Consultant, which is a leadership Title, is the next higher Recognition Title to which a Level II Executive Consultant may advance if they:

- achieve a minimum of 100 SV and 800 GV in Product sales; and

- maintain their status as a paid as LII EC AND creates two (2) additional Downline EC Legs (for a total of four (4) EC Legs) in their Performance Lineage by helping at least two (2) additional Level 1 Consultants (or Consultants in said Level 1 Consultant's Downline) advance to EC through Product sales (the "Level III Executive Qualification Requirement").

The advancement to the Recognition Title of Level III Executive Consultant becomes effective at the close of the Commission Period for the month in which the advancement was achieved.

For any given Commission Period, a Level III Executive Consultant who satisfies the Executive Consultant Qualification Requirements and the Level III Executive Consultant Qualification Requirement is paid as a Level III Executive Consultant for that Commission Period.

f. Level IV Executive Consultant (LIV EC)

Level IV Executive Consultant, which is a leadership Title, is the next higher Recognition Title to which a Level III Executive Consultant may advance if they:

- achieve a minimum of 100 SV and 800 GV in Product sales; and
- maintain their status as a paid as LIII EC AND create two (2) additional Downline EC Legs (for a total of six (6) EC Legs) in their Performance Lineage by helping at least two (2) additional Level 1 Consultants (or Consultants in said Level 1 Consultant's Downline) advance to EC through Product sales (the "Level IV Executive Qualification Requirement").

The advancement to the Recognition Title of Level IV Executive Consultant becomes effective at the close of the Commission Period for the month in which the advancement was achieved.

For any given Commission Period, a Level IV Executive Consultant who satisfies the Executive Consultant Qualification Requirements and the Level IV Executive Consultant Qualification Requirement is paid as a Level IV Executive Consultant for that Commission Period.

g. Level V Executive Consultant (LV EC)

Level V Executive Consultant, which is a leadership Title, is the next higher Recognition Title to which a Level IV Executive Consultant may advance if they:

- achieve a minimum of 100 SV and 800 GV in Product sales; and
- maintain their status as a paid as LIV EC AND create two (2) additional Downline EC Legs (for a total of eight (8) or more EC Legs) in their Performance Lineage, by helping at least at least two (2) additional Level 1 Consultants (or Consultants in said Level 1 Consultant's Downline) advance to EC through Product sales (the "Level V Executive Qualification Requirement").

The advancement to the Recognition Title of Level V Executive Consultant becomes effective at the close of the Commission Period for the month in which the advancement was achieved.

For any given Commission Period, a Level V Executive Consultant who satisfies the Executive Consultant Qualification Requirements and the Level V Executive Consultant Qualification Requirement is paid as a Level V Executive Consultant for that Commission Period.

h. Premier Executive Consultant (Premier EC)

Premier Executive Consultant, which is a leadership Title, is the next higher Recognition Title to which a Level V Executive Consultant may advance to if they:

- satisfy the Executive Consultant Qualification Requirements during any given Commission Period; and
- has eleven (11) or more EC Legs, one (1) of which must be a Level V EC Leg (the "Premier Executive Consultant Qualification Requirement").

The advancement to the Recognition Title of Premier Executive Consultant becomes effective at the close of the Commission Period for the month in which the advancement was achieved.

For any given Commission Period, a Premier Executive Consultant who satisfies the Executive Consultant Qualification Requirement and the Level V Executive Consultant Qualification Requirement is paid as a Premier Executive Consultant for the Commission Period.

i. Elite Executive Consultant (Elite EC)

Elite Executive Consultant, which is a leadership Title, is the next higher Recognition Title to which a Premier Executive Consultant may advance to if they:

- satisfy the Executive Consultant Qualification Requirements during any given Commission Period; and
- has thirteen (13) or more EC Legs, at least three (3) of which must be Level V EC Legs (the "Elite Executive Consultant Qualification Requirement").

The advancement to the Recognition Title of Elite Executive Consultant becomes effective at the close of the Commission Period for the month in which the advancement was achieved.

For any given Commission Period, an Elite Executive Consultant who satisfies the Executive Consultant Qualification Requirement and the Level V Executive Consultant Qualification Requirement is paid as an Elite Executive Consultant for the Commission Period.

j. RFX Executive Consultant (RFX EC)

RFX Executive Consultant, which is a leadership Title, is the highest Recognition Title to which a Level V Executive Consultant may have access if they:

- satisfy the Executive Consultant Qualification Requirements during any given Commission Period; and
- has fifteen (15) or more EC Legs, at least five (5) of which must be Level V EC Legs.

The eligibility status for an RFX Executive Consultant becomes effective at the close of the Commission Period for the month in which the eligibility was achieved.

For any given Commission Period, an RFX Executive Consultant who satisfies the Executive Consultant Qualification Requirements and the RFX Executive Consultant Qualification Requirement is paid as an RFX Executive Consultant for that Commission Period.

k. Use of a Grace Period

An EC through RFX EC is entitled to one Grace Period during any twelve-month period following advancement to the Recognition Title of EC. An EC through RFX EC who has had their Grace Period applied and then fails to achieve a minimum of 100 SV and/or 800 GV during a subsequent Commission Period is downgraded to the Recognition Title of Consultant.

SECTION 5: PAID-AS TITLES

The final Title for which a Consultant satisfies the qualification requirements in the Commission Period. See Grace Period rules for exceptions.

SECTION 6: TITLE ADVANCEMENT AND MAINTENANCE

Advancement to each higher Recognition Title requires the achievement and maintenance of minimum requirements for each previous Recognition Title. Advancements become effective on the close of the Commission Period for the month in which they were achieved.

SECTION 7: NON-ADVANCEMENT ("TIMER")

If a Consultant (who is not qualified as an Executive Consultant) has a Consultant in their Downline (a "Downline Consultant") who has advanced to Executive Consultant or above, such Consultant has four (4) Commission Periods, commencing on the first day after the Commission Period in which the Downline Consultant was advanced, to qualify as an Executive Consultant. If the Consultant fails to qualify and maintain a Recognition Title of Executive Consultant during this time, they will be precluded from receiving Commissions on that Downline Executive Leg. At the start of the fifth Commission Period following the advancement of that Downline Consultant to Executive Consultant or above, that Downline Executive Leg will be permanently excluded from the Consultant's Downline and that Downline Executive Leg will Roll Around to the first Upline Consultant who is an Executive Consultant or above.

The four (4) Commission Period rule is in effect for any sponsored new Consultant enrolled during a Commission Period in which their Sponsor's Recognition Title is Consultant. For any new Consultant enrolled during a Commission Period in which their Sponsor's Recognition Title

is EC or higher, the four (4) month rule will not apply to the Sponsor but will apply to the new Consultant and any of their enrollees.

SECTION 8: TITLE DOWNGRADE

Downward adjustment of Recognition Title occurs when an Executive Consultant fails to achieve their current Paid-As Title for three (3) consecutive Commission Periods provided that the Executive Consultant has not failed to meet Executive Qualifications of 100 SV and 800 GV with no eligible Grace Period*. Effective upon the close of that Commission Period following a downgrade, the Executive Consultant will be reassigned the Recognition Title of the highest Paid-As Title achieved for the prior three (3) Commission Periods.

*Upon failure to meet Executive Qualification of (i) 100 SV and/or (ii) 800 GV in sales with no eligible Grace Period, the EC will be downgraded to Recognition Title of Consultant or Active Consultant effective upon the close of that Commission Period. See Roll Around definition for further detail.

SECTION 9: COMPENSATION PLAN CATEGORIES

There are five (5) ways in which a Consultant may be able to earn compensation under this Compensation Plan: (i) Customer Commissions; (ii) Consultant Commissions (also known as L1 Commissions); (iii) Personal Team Commissions; (iv) Generation Commissions; and (v) Achievement Rewards.

Please see the Compensation Plan at a Glance chart below for information on Commissions based on Paid-As Title. To the extent a Consultant performs under this Compensation Plan, they may be eligible to receive Achievement Rewards outside of the Compensation Plan that are offered by Rodan + Fields from time to time, at Rodan + Fields' sole option.

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Compensation Plan at a Glance:

	Consultant	Active Consultant	Executive Consultant	Level I Executive	Level II Executive	Level III Executive	Level IV Executive	Level V Executive	Premier Executive	Elite Executive	RFx Executive
Abbreviation	C*	C	EC	LI EC	LII EC	LIII EC	LIV EC	LV EC	Pmr EC	Elt EC	RFx EC
Qualification Requirements											
Sales Volume (SV)		100 SV	100 SV	100 SV	100 SV	100 SV	100 SV	100 SV	100 SV	100 SV	100 SV
Group Volume (GV)			800 GV	800 GV	800 GV	800 GV	800 GV	800 GV	800 GV	800 GV	800 GV
Number of Qualified EC Legs				1	2	4	6	8 or more	11 or more	13 or more	15 or more
Number of Qualified LV EC Legs									1	3	5
Earning Potential											
Customer Commissions	17%	24%	28%	28%	28%	28%	28%	28%	28%	28%	28%
Level 1 Commission		4%									
Personal Team Commission			8%	8%	8%	8%	8%	8%	8%	8%	8%
Generation I Commission				3%	4%	5%	6%	7%	7%	7%	7%
Generation II Commission					3%	4%	5%	6%	6%	6%	6%
Generation III Commission						3%	4%	5%	5%	5%	5%
Generation IV Commission							2%	3%	3%	4%	4%
Generation V Commission								2%	2%	3%	3%
Generation VI Commission									0.5%	1%	2.0%

*Under this Compensation Plan, no Generation Commission is payable based on the CV of generations below an Executive Consultant's Generation VI.

SECTION 10: INCENTIVE TRIPS AND ACHIEVEMENT REWARDS

To the extent a Consultant performs under this Compensation Plan, they may be eligible to receive incentive trips and other Achievement Rewards that are offered by Rodan + Fields from time to time, at Rodan + Fields' sole option. Incentive trips or other Achievement Rewards may not be deferred for future acceptance. No payment or credit will be given to those who cannot or choose not to attend, or who do not accept, incentive trips and/or other Achievement Rewards.

Although Rodan + Fields pays some or all of the costs of such incentive trips, the Consultant agrees to indemnify and hold harmless Rodan + Fields and its affiliates for any injuries sustained in connection with the trip by the Consultant and/or their guests. The Consultant cannot make a claim upon, or rely upon, any insurance policy of Rodan + Fields to cover the costs and expenses of any injuries to the Consultant and/or her/his guests. Rodan + Fields may be required by law to include the fair market value of any incentive trips and other Achievement Rewards on the Internal Revenue Service (IRS) Form 1099 NEC (non-employee compensation) earning statement that is provided by Rodan + Fields to each U.S. resident Consultant who had Earnings of more than \$600 in the previous calendar year or made purchases from Rodan + Fields during the previous year in excess of \$5,000.

SECTION 11: CURRENCY EXCHANGE RATE

Commissions are calculated in Volume which is then exchanged into the Home Country currency of the Consultant receiving the Earnings based on the currency exchange rate. Customer Commissions are calculated in the currency of the transaction, which is then exchanged into the Home Country currency.

Exchange Rate

Rodan + Fields reserves the right to determine the frequency of updates to exchange rates.

SECTION 12: PRICE BASIS FOR CUSTOMER COMMISSIONS

All Customer Commissions are based on the actual prices paid for R+F Products in effect at the time of the transaction that occurs via Rodan + Fields systems, including a Consultant's PWS or the R+F Website, for all Retail and PC orders.

Retail Price

The Retail Price is the suggested retail price published by Rodan + Fields in R+F Marketing Materials and on the R+F Website based on the country of transaction.

Preferred Customer Price

The Preferred Customer Price is the discounted Retail Price available to Preferred Customers by enrolling in PC Perks. The Preferred Customer Price is based on the country of transaction.

SECTION 13: COMMISSION ADJUSTMENTS FOR RETURNED PRODUCT

When a Product is returned for credit or refund, the Commission Period of the original purchase is used to determine the qualifications on that sale and to determine the amount of qualification and Commission adjustment for the returned Product. The adjustment to Commissions will be made for the Commission Period in which the Product was returned for the Consultant who received qualifications, L1 Commission and all Upline Consultants who received Commission on that sale. Customer Commissions paid to Consultant by Rodan + Fields will also be deducted in the Commission Period during which the Product was returned.

Any foreign exchange rate that needs to be applied to determine the amount of the adjustment will be the foreign exchange rate at the time the original purchase was made.

APPENDIX B: GLOSSARY

Applicant

A potential Consultant who has submitted a Consultant Application that is under consideration by Rodan + Fields and has not yet been accepted or rejected by Rodan + Fields.

Authorized Country

An Authorized Country is a country in which Rodan + Fields has established and conducts direct selling operations. See Section 5n of the Policies and Procedures for further details regarding the states, territories or provinces where Rodan + Fields conducts its operations.

Beneficial Owner

Any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has:

- voting power which includes the power to vote, or to direct the voting of, the Business Entity's ownership interest; and/or
- investment power which includes the power to dispose, or to direct the disposition of, such ownership interest.

Business Starter Pack

A pack that includes business building tools and samples (which Rodan + Fields may change at its sole discretion) as described in the Consultant Application. Each Applicant is required to purchase a Business Starter Pack at the time they submit a Consultant Application to Rodan + Fields.

Business Days

Monday through Friday, excluding holidays observed by Rodan + Fields.

Business Entity

A corporation, limited liability company or partnership that has submitted a properly completed Business Entity Registration Form that has been approved by Rodan + Fields.

Business Entity Registration Form

The legally binding agreement that must be properly completed, signed by a duly authorized signatory and submitted by a Business Entity and the Consultant seeking to assign their Consultant Agreement to the Business Entity, subject to approval by Rodan + Fields in its sole discretion. The Consultant must be a Beneficial Owner of the Business Entity.

Compensation Plan

The Compensation Plan attached as Appendix A to the Policies and Procedures and which is incorporated into and part of these Policies and Procedures.

Confidential Information

The confidential and/or proprietary information of Rodan + Fields, which includes, but is not limited to, the Performance Reports (Downline Activity) and all information contained in such reports, all Customer Data, and R+F's Product development plans, pricing, problem reports and performance information, marketing and financial plans and data, Customer emails, Consultant emails, contact information and training materials. For the avoidance of doubt, all information in PULSE by Penny is R+F Confidential Information and shall not be disclosed or made publicly available.

Consultant

Consultants, also referred to as Independent Consultants, may be individuals, married couples or Business Entities that:

- have submitted a Consultant Application that has been accepted by Rodan + Fields;
- comply with the requirements of the Consultant Agreement, including the obligations set forth in the Policies and Procedures; and
- renews the Consultant Agreement annually in accordance with Policies and Procedures.

Unless otherwise specified, the term "Consultant" refers to any Consultant, whether or not such Consultant has been advanced to a higher Title. Consultants are not employees of Rodan & Fields, LLC or its affiliates.

Consultant Agreement

The legally binding agreement between Rodan + Fields and each Consultant consisting of:

- a properly completed and submitted Consultant Application, which includes Terms and Conditions, that has been accepted by Rodan + Fields;
- the Policies and Procedures that are incorporated into and form an integral part of the Consultant Agreement; and
- if applicable, a properly completed and signed Business Entity Registration Form that has been accepted by Rodan + Fields.

Consultant Application

The official application that must be properly completed and submitted to Rodan + Fields by an Applicant to apply to become a Consultant, together with the terms and conditions set forth therein and any documents incorporated therein by reference. Each Consultant Application is subject to acceptance or rejection by Rodan + Fields in its sole discretion.

Consultant Information

Each Consultant's name, address, phone number, email address, Social Security Number or Federal Tax Identification Number, date of birth and other information provided by Consultant to Rodan + Fields, including information provided in or with a Consultant Application or the equivalents of such information submitted in a Business Entity Application.

Consultant Price

The price at which Rodan + Fields offers the R+F Products for sale to Consultants, which is typically less than the prices offered to Retail Customers and Preferred Customers.

Customer

A person, either a Preferred Customer (PC) or Retail Customer, who purchases the R+F Products for the purpose of personally using them rather than for resale to another person.

Customer Data

All data and information submitted by a Consultant, Customer or potential Customer or potential Consultants to a Consultant or Rodan + Fields in connection with a purchase of the R+F Products, or otherwise about an identifiable Customer or potential Customer, including, without limitation, such Customer's name, address, phone number, payment account information, products ordered and order volume.

Customer Identification Number (CID)

Each Consultant, Preferred Customer and Retail Customer is assigned a unique Customer Identification Number (CID) by Rodan + Fields for identification in Rodan + Fields' records and computer system. A CID must be used for any of these people or entities to identify themselves to Rodan + Fields in all correspondence with Rodan + Fields and a CID may also be required for certain transactions. A Consultant may provide their CID to Retail Customers, Preferred Customers and

business prospects to assist Rodan + Fields in connecting Retail Customers, Preferred Customers and business prospects to the Consultant's account.

Customer Satisfaction Guarantee

The guarantee that Rodan + Fields offers to Customers for all R+F Products. Under the Customer Satisfaction Guarantee, if for any reason a Customer is not completely satisfied with any R+F Product, Rodan + Fields allows the Customer to return the unused portion within sixty (60) days of purchase for a full refund of the purchase price (less shipping charges). Consultants have certain responsibilities with respect to the Customer Satisfaction Guarantee.

Home Country

The country in which a Consultant enrolls is their "Home Country."

Income Disclaimer

Rodan + Fields does not guarantee that Consultants participating in the Rodan + Fields Program will generate any income. As with any business, each Consultant's business results may vary. Earnings depend on a number of factors, including the area in which a Consultant is based, individual effort, business experience, diligence and leadership. Potential Consultants are urged to perform their own due diligence prior to making any decision to participate. For information about earnings at Rodan + Fields, see the Income Disclosure Statement.

Insider Scoop

A newsletter available to Rodan + Fields enrolled Consultants via email weekly and in the Library. Consultants are expected to read the Insider Scoop, which contains important information regarding Rodan + Fields events, Products, recognition of Consultants, compliance issues, special editions and other matters useful to Consultants in conducting their Rodan + Fields activities.

Library

The Library holds Rodan + Fields produced training materials, flyers, product information, event information and other communications.

Line Switching

Line Switching is re-enrolling under a different Sponsor in less than a six (6) month period after a Consultant agreement is terminated or while still enrolled under a previous Sponsor. Line Switching is strictly prohibited. If a Consultant wishes to change Sponsors, the Consultant must terminate their Consultant Agreement and wait six (6) months. After six months, the Consultant may re-enroll under a new Sponsor. For additional information regarding Line Switching see Section 7d.

Password

A unique string of numbers and/or letter characters that provides Consultants access to the R+F Website, their respective Personal Website (PWS) and PULSE by Penny. The Password is required to obtain online performance history records, Performance Reports (Downline Activity) and other information critical to the management of a Consultant Agreement. A separate and unique Password will be used to access a Consultant's RF Payday Account. Passwords are highly confidential and must not be shared with anyone. Consultants are encouraged to regularly update their passwords and use strong and unique passwords.

Payment Processor

A third party retained by Rodan + Fields to pay Commissions and Achievement Rewards earned by Consultants through the Rodan + Fields Compensation Plan and other Rodan + Fields programs. The Payment Processor will set up an RF Payday Account for Consultants and deposit monies owed to Consultants into their RF Payday Accounts.

Performance Report (Downline Activity)

A report generated by Rodan + Fields that provides critical data relating to the identities of a Consultant's sales team and their sales performance, and enrollment (sponsoring) activity of each Consultant's sales team. All Performance Reports and the data contained therein are the Confidential Information of Rodan + Fields. For more information, see Section 6g. Performance Reports (Downline Activity).

Policies and Procedures

The policies, procedures, rules, guidelines and other terms and conditions set forth in the document of which the Compensation Plan and this Glossary are incorporated therein by reference and attached as Appendices A and B thereto are a part (as may be amended from time to time at the sole discretion of Rodan + Fields), which, together with the terms and conditions set forth in a Consultant Application accepted by Rodan + Fields, constitute the legally binding agreement between Rodan + Fields and each Consultant. Policies and Procedures are updated from time to time and all Consultants are required to review and accept all updates in order to access PULSE by Penny or other Company systems. Updates are accepted by continuing to maintain a Consultant Agreement following any such update.

Preferred Customer (PC)

A Customer who purchases the R+F Products, mostly from the Company through a Consultant, and enrolls in PC Perks, a bi-monthly auto-replenishment and Customer loyalty program (see PC Perks Terms and Conditions located in the Library for more details). A Preferred Customer's QV is included in the calculation of Sponsor's PV and GV. The Sponsor is paid Customer Commissions on the PC's purchases of Commissionable Products.

Product Disclaimer

This is not intended to be used as a substitute for medical advice. Results may vary depending upon the individual and will depend on multiple factors including your age, gender, skin type, hair type, and condition, concomitant products used, health history, where you live (climate, humidity), lifestyle and diet. Rodan + Fields makes no guarantee as to the results that you may experience. Rodan + Fields recommends that you consult with your physician or other qualified health care provider before beginning any product regimen or treatment.

Program

The Rodan + Fields Consultant Compensation Plan, as defined above.

PULSE by Penny

PULSE by Penny is an online enterprise management system designed to support a Consultant. Every Consultant has access to basic PULSE by Penny functions which include basic business tools and reports and access to the Library that holds Rodan + Fields produced training materials, flyers, product information, event information and communications. There is an optional paid subscription to PULSE by Penny, called PULSE by Penny Pro, which also includes a Personal Website and enhanced business tools.

Personal Website (PWS)

Personalized websites are provided by Rodan + Fields to a Consultant participating in the optional subscription PULSE by Penny Pro. A Personal Website (PWS) is linked to the Consultant's CID and may be used for placing Customer orders and enrolling new Consultants. An additional monthly charge may apply for a Personal Website (PWS).

RF Payday Account

An RF Payday Account is a pay account (sometimes referred to as a "wallet" or "portal") that is set

up for Consultants by an independent Payment Processor retained by Rodan + Fields. With the exception of certain payments made on an exception basis, all Commissions or Achievement Rewards that Consultants may earn will be paid through their RF Payday Account.

R+F Business Supplies

The business supplies, such as business cards, stationery, etc., that Consultants may purchase from Rodan + Fields or its approved third-party suppliers.

R+F Content

The R+F Content includes: (i) all R+F Trademarks; (ii) all text, images, graphics and other content and materials used or displayed on or in connection with any R+F Product (or any related packaging), R+F Marketing Materials, R+F Business Supplies or the R+F Website; and (iii) the names, images and likenesses of the principals or officers or other employees of Rodan + Fields, including Dr. Katie Rodan and Dr. Kathy Fields.

R+F Marketing Materials

The advertising, marketing, and informational materials that Rodan + Fields provides for the R+F Products and the Program from time to time.

R+F Products (or Products)

Rodan + Fields skincare and haircare or other products, regimens and cosmetic tools that Consultants are authorized to sell under the Agreement.

R+F Trademarks

All trademarks and service marks, whether registered or not, trade names, product names, logos and domain names or social media handles that are used or displayed on or in connection with any R+F Product (or any related packaging), R+F Marketing Materials, R+F Business Supplies or the R+F Website owned by Rodan + Fields or any parent, subsidiary or related companies. R+F trademarks and registered trademarks include but are not limited to: RODAN + FIELDS, RODAN + FIELDS Logo, RODAN & FIELDS, R+F, R+F Logo, RF (stylized), BELIEVE IN MORE. EMPOWER CHANGE., GONAKED, LIFE-CHANGING SKINCARE, PRESCRIPTION FOR CHANGE, RFGONAKED, AMP MD, MULTI-MED, MULTI-STEP SCIENCE, PULSE BY PENNY, SOLUTION TOOL, ACTIVE HYDRATION, ACUTE CARE, LASH BOOST, R+F LASH BOOST, ENHANCEMENTS, ESSENTIALS, REDEFINE, REVERSE, SOOTHE, UNBLEMISH, RADIANT DEFENSE, RODAN + FIELDS ENHANCEMENTS, RODAN + FIELDS ESSENTIALS, RODAN + FIELDS REDEFINE, RODAN + FIELDS REVERSE, RODAN + FIELDS SOOTHE, RODAN + FIELDS UNBLEMISH, Rodan + Fields Regimen Bag Design, 3D3P, BPO2 (stylized), DECIDE TODAY HOW TOMORROW LOOKS, ELECTRI5, ENHANCEMENTS LASH BOOST, R+F ACTIVE HYDRATION SERUM, RD3, REDEFINE ACUTE CARE, RODAN + FIELDS ACTIVE HYDRATION, RODAN + FIELDS ACTIVE HYDRATION SERUM, RODAN + FIELDS CONCEPT TO COMMERCE, RODAN + FIELDS LASH BOOST, RODAN + FIELDS RECHARGE, RODAN + FIELDS REDEFINE ACUTE CARE, SPOTLESS, RODAN + FIELDS SPOTLESS, and the names and likenesses of Dr. Katie Rodan and Dr. Kathy Fields.

R+F Website

The Internet site located at the URL address www.rodanandfields.com.

Receipt of Order

Delivery of R+F Products shipped from Rodan + Fields to a Consultant, Preferred Customer or Retail Customer.

Retail Customer

A Customer who purchases the R+F Products from or through a Consultant or direct to Rodan +

Fields at Retail Price. Retail Customer volume, from purchases made through the R+F Website or a Consultant PWS, is attributed to the selling Consultant's SV and Customer Commissions, but no Commissionable Volume is assigned to that Consultant.

Return Authorization Form

The form a Customer or Consultant must complete and submit to return merchandise to Rodan + Fields. See Section 10, above.

Security Breach

A breach of security or an unauthorized disclosure, access, acquisition or use of Customer Data, data on Consultants, or any Confidential Information of Rodan + Fields, including such access or acquisition as a result of theft, hacking or inadvertent error.

Sponsor

A Consultant who enrolls another Consultant into the Program and is listed as the Sponsor on the Consultant Application (Enrollment Sponsor), or to whom a Downline Consultant has been assigned through Compression or Roll Around (Performance Sponsor). See Compensation Plan for definitions of Enrollment Sponsor and Performance Sponsor.

Termination

The non-renewal termination, or other voluntary or involuntary termination of a Consultant Agreement following which the former Consultant shall have no right, title, claim or interest to the Consultant Agreement or Downline that they operated or to the opportunity to receive any Commissions or Achievement Rewards from the sales generated by such Consultant Agreement or Downline.

Unauthorized Country

An Unauthorized Country is a country in which Rodan + Fields is not conducting direct selling operations.

APPENDIX C: RODAN + FIELDS CONSULTANT CODE OF BUSINESS ETHICS

Rodan + Fields is Life-Changing Skincare™ and haircare. Our mission is to give our Customers the best skin and hair of their lives and to help people create life-changing opportunities for themselves and others, including through our Prescription for Change Project, which serves youth with empowerment programs where they live.

Our Independent Consultants are the face of Rodan + Fields. You represent us every day when you interact, share your story and invite people along on your personal Rodan + Fields Journey. It is important that our representatives conduct themselves in a manner that upholds the high standards of the Rodan + Fields brand.

It is our expectation that you review and uphold the R+F Code of Business Ethics. When sharing information about the R+F Products and Programs, always communicate honestly, respectfully, accurately and with integrity.

Our mutual success relies on your understanding and execution of the Policies and Procedures, as well as all laws and regulations that apply to your Rodan + Fields business. This Code is designed to protect you, your Consultant Agreement, the Rodan + Fields brand, and, importantly, all Consumers (namely, any potential and existing Customers or Consultants).

If you have any questions regarding how to best or accurately represent Rodan + Fields as a Consultant, please email Compliance@rodanandfields.com.

ACT WITH INTEGRITY AND TRANSPARENCY

- Respect the rights of Consumers and Consultants you may Sponsor and act with integrity and transparency at all times.
- Do not mislead or deceive Consumers or Consultants you may Sponsor.
- Be authentic, honest and lawful. While this code highlights important legal obligations, it does not restate all of them. You agree that when acting as an Independent Consultant for Rodan + Fields you will comply with all legal obligations that apply under your Rodan + Fields Consultant Agreement and any business you conduct under that agreement.
- When promoting R+F Products or the R+F Program, always identify yourself as a Rodan + Fields Independent Consultant.

BE PROFESSIONAL

- Interact respectfully with your Customers, your Rodan + Fields team, other Consultants, Home Office employees, and anyone else you encounter in connection with your Rodan + Fields Consultancy.
- Use appropriate language when interacting with others, giving presentations and in written communications.
- Promptly address any complaint and strive to resolve the matter professionally and in good faith.
- Be mindful of the difference between what is factually correct and what may be your personal opinion or desires, or those of Consumers and/or fellow Consultants, while taking care to respect the opinions and desires of others.
- As a representative of Rodan + Fields, hold yourself to the highest standards of service to your Customers and fellow Consultants.

RECRUIT RESPONSIBLY

- Whenever encouraging others to join Rodan + Fields as an Independent Consultant, always present accurate information, use proper disclaimers and be sure to provide access to the Income Disclosure Statement to provide important context on the R+F Program.
- Never deceive, intimidate or engage in unlawful recruiting practices, including suggesting that R+F Product purchases or enrollment in any program, such as subscription product purchases, PC Perks program, or PULSE by Penny Pro, are required.
- You may not reward Consultants for recruiting other Consultants. All incentives must be based on R+F Product sales only.
- Any business interactions that are unethical or predatory will not be tolerated. Apply good judgment.

COMMUNICATE EARNINGS AUTHENTICALLY

- Do not make any promises or guarantees of income. Refer to the Rodan + Fields Policies and Procedures and Income Disclosure Statement for compliant language to use when discussing potential earnings.
- Always provide proper disclaimers of typical results when sharing information about potential earnings, including lifestyle income claims and refer to the Rodan + Fields Income Disclosure Statement.
- Properly represent the level of effort and skill needed to succeed as a Rodan + Fields Independent Consultant. Do not oversimplify or state that it only takes "hard work."

PURCHASE RESPONSIBLY

- Purchase reasonably and responsibly in compliance with laws prohibiting inventory loading and encourage others to do the same.
- Product purchases may only be made for personal use, not for title advancement or to earn incentives.
- Always be prepared to provide a full account explaining how the R+F Products you purchased were used. The Home Office has the discretion to request this information at any time.

RESPECT IP RIGHTS

- Never use the name, likeness, photo, logo or any other property of a celebrity, company, organization or any other person or entity without their written approval or consent.
- All music, videos, images or other content, whether found on the Internet or otherwise, must be properly licensed before use in your communications.
- R+F Products may only be sold on Rodan + Fields owned and operated sites and/or via person to person transactions, and no R+F Products may be sold on any other website or e-commerce marketplace.
- Any use of the Rodan + Fields name or brand assets in support of any personal endeavors, including in books or other writings, requires Rodan + Fields advance written permission. It is expected that you will avoid any potential negative impact on

Rodan + Fields from any public personal endeavors.

PROTECT CONSUMER PRIVACY

- Always safeguard and protect all information provided by a Customer or prospective Customer or any Consultant or prospective Consultant you may Sponsor or hope to Sponsor.
- The best protection you can provide is to ensure that all R+F Product purchases or Consultant enrollments are conducted by the Consumer or enrollee on the Rodan + Fields e-commerce system.

Rodan+Fields® does not guarantee that Consultants participating in the business opportunities described in this brochure will generate any income. As with any business, each Consultant's business results may vary, and will be based on, among other factors, such Consultant's individual capacity, business experience, expertise, and motivation. Readers are cautioned not to place undue reliance on the information in this document and are urged to perform their own due diligence prior to making any decision to participate.

RODAN+FIELDS

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EXHIBIT C

Income Disclosure Statement

The income statistics shown below include commissions and other cash payments earned by Consultants under the R+F Compensation Plan. In addition, there is potential to earn incentives and other rewards in recognition of performance. These statistics do not include expenses that may be incurred by Consultants such as optional personal products they may have purchased or money they chose to spend on their own for events, samples, or the like. Nothing more than the \$75 Business Starter Pack is required to open or operate an R+F business. As a Consultant, you always earn commissions on the sales you make.

The typical paid Consultant earned \$366 annually. Typical Consultant earnings show the median earnings of all Consultants who were paid in 2022.

CUSTOMERS - 88%

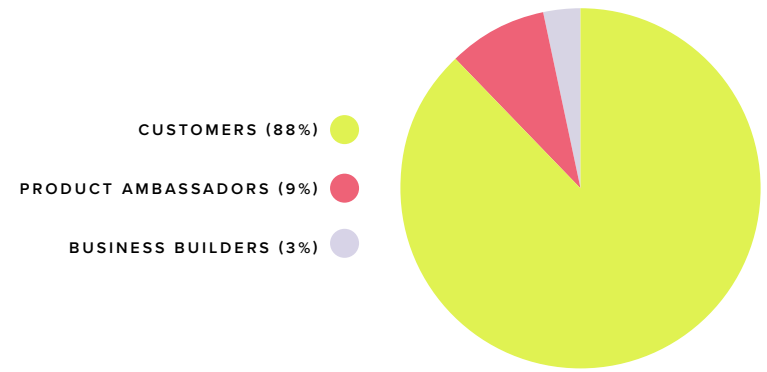
88% of those who order Rodan + Fields products are strictly customers, who love the visible life-changing results of R+F products and continue to enjoy them month over month. These customers just simply love our R+F products. Only a select few of them will ever decide to become a Consultant and build an R+F business.

	# OF CUSTOMERS	# OF PAID CONSULTANTS	INCOME			TEAM CUST COUNT		
			HIGH	LOW	MEDIAN	MIN	AVG	MEDIAN
PRODUCT AMBASSADORS <i>73% of Paid Consultants</i>	LESS THAN 5	56%	\$10,186	\$20	\$143	1	2	2
	5 to 9	12%	\$17,740	\$26	\$616	5	7	6
	10 to 20	4%	\$24,554	\$88	\$1,546	10	14	12
	20+	1%	\$18,350	\$802	\$3,625	20	30	25

BUSINESS BUILDERS		# OF PAID CONSULTANTS	INCOME			TEAM CUST COUNT	
			HIGH	LOW	MEDIAN	MIN	MEDIAN
DEVELOPING BUSINESS <i>21% of Paid Consultants</i>	C*	12.0%	\$8,479	\$20	\$416	1	6
	C	4.1%	\$6,727	\$21	\$1,401	1	12
	EC	5.3%	\$61,898	\$690	\$3,895	2	34

EVOLVING LEADERSHIP <i>4% of Paid Consultants</i>	LI	2.1%	\$42,731	\$1,926	\$6,186	1	87
	LII	1.5%	\$64,571	\$3,396	\$11,174	2	218
	LIII	0.5%	\$171,573	\$7,805	\$21,813	135	517
	LIV	0.2%	\$866,106	\$14,391	\$36,275	212	962

ADVANCED LEADERSHIP* <i><1% of Paid Consultants</i>	LV+	0.4%	\$1,879,027	\$207,478	\$525,379	6,371	21,775
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PRODUCT AMBASSADORS - 9%

9% of the R+F community love the visible life-changing results of R+F products and are Consultants who focus primarily on sharing the products with consumers. These Consultants are product advocates and generate their commissions from product sales to new and existing customers. Product Ambassadors make up a large percentage (73%) of R+F paid Consultants.

BUSINESS BUILDERS - 3%

The remaining 3% of the R+F community are Consultants who are our business builders. These Consultants not only love the potentially life-changing visible results of R+F products but also its life-changing opportunity. They have made the decision to invest a significant amount of time and effort sharing the products with new Customers, building a loyal customer base and developing a team of Consultants to leverage the R+F opportunity.

We have 3 types of Business Builders:

DEVELOPING BUSINESS - 21% OF PAID CONSULTANTS

Consultants who dedicate time to sharing R+F award winning products and business opportunity with others can start developing their own skincare and haircare business. By sharing the brand and the products with their community they can make a difference through life-changing skincare and haircare one person at a time. As they begin to share the opportunity, which is considered the first step to becoming a business builder, they start to develop their own team.

EVOLVING LEADERSHIP - 4% OF PAID CONSULTANTS

With consistency and effort, Consultants can evolve into skincare and haircare entrepreneurs as they continue to grow their Customer base and lead other developing business owners. As they continue to grow their business, these Consultants are dedicated to helping many people feel confident and empowered to share R+F products and the business with others. Those who have reached the evolving leadership status have a base of several customers, and they have also helped some start a business and become Business Builders.

ADVANCED LEADERSHIP - <1% OF PAID CONSULTANTS

Our highest-level Consultants lead larger teams and coach their teams towards their own business advancements. These Consultants demonstrate advanced leadership skills and continually show and share the power behind the R+F products and opportunity. Advanced Leadership Consultants are dedicated and invested in building a sustainable and meaningful R+F business.

*Excludes Consultants who were not paid in 2022. See other side for information about Consultants that did not earn compensation, but received benefit of discounted prices.

**Advanced Leadership includes LV, Premiere, Elite and RFx

Income Disclosure Statement



What does it mean to enroll as a Rodan + Fields Independent Consultant?

As a Rodan + Fields Independent Consultant, you can choose the path that is best for you. You can participate simply by purchasing products at a discount for personal use and/or fully participate in the R+F Compensation Plan by selling R+F products to customers and/or build a team to earn monthly commissions. You may also be eligible for other bonuses, rewards, and incentives along the way!

Note: If you are joining just to purchase products for personal use, we recommend that you instead enroll as a Preferred Customer (PC) for a one-time fee of \$19.95 to enjoy the PC discount and all the perks that come along with this membership. Please see the PC Perks Terms and Conditions for more information.

What if I decide this just isn't for me?

No problem! If it turns out this isn't for you, you can cancel your Consultant Agreement at any time!

Additionally, all products come with a 60-day empty bottle money-back Satisfaction Guarantee — even if some of the product has been consumed. After 60 days and for up to one year from when you make your purchase, you may return any unsold product in resalable condition and/or the Business Starter Pack for a 100% refund of the purchase price (not including shipping costs) if the business does not work out for you and you terminate your Consultant account.[†]

What should I know prior to becoming a Rodan + Fields Independent Consultant?

- ▶ The only required purchase is a one-time purchase of the R+F \$75 Business Starter Pack.
- ▶ Consultants are eligible to purchase products at reduced prices, create their own schedule, and have the potential to earn monthly commissions.
- ▶ Independent Consultants' business results vary significantly, and no income is promised or guaranteed. Many earn “fun money” and income for discretionary purchases; some even earn more.
- ▶ Earnings depend on a number of factors, including leadership, business experience, expertise, quality and depth of network, and individual effort.
- ▶ Potential Consultants are urged to perform their own due diligence prior to making any decision to participate. Please review the R+F Policies & Procedures before deciding whether to enroll.

What are the ways I can earn money?

The R+F Compensation Plan is based on product sales. You cannot earn income from sponsoring or recruiting team members. You can earn by:

- ▶ Participating in the Rodan + Fields Compensation Plan and earning monthly commissions*
- ▶ Unlocking other rewards, incentives, and bonuses through various programs

How much can I expect to earn?

In 2022, R+F had 197,000 enrolled Consultants. 132,000 (67%) were Paid Consultants who received payment in at least one month for sales that occurred during 2022 and 65,000 (33%) were Consultants who received the benefit of discounted prices, but did not earn any compensation from R+F. Please see other side for more details.

[†] Residents of Maryland, Wyoming, Massachusetts, and Puerto Rico can receive refunds on the Business Starter Pack purchase even after one year
 * To be eligible for commissions on products, you must have monthly sales to customers and/or achieve qualification through your own, or your team's, purchases or sales based on Qualifying Volume. For more information regarding the compensation plan, see the Rodan + Fields Compensation Plan.

Income Disclosure Statement

The income statistics shown below include retail profit, commissions, and other cash payments earned by Consultants under the R+F Compensation Plan. In addition, there is potential to earn incentives and other rewards in recognition of performance. These statistics do not include expenses that may be incurred by Consultants such as optional personal products they may have purchased or money they chose to spend on their own for events, samples, or the like. Nothing more than the \$75 Business Starter Pack is required to open or operate an R+F Business. As a Consultant, you always earn retail profit on the sales you make.

The typical paid Consultant earned \$420 annually. Typical Consultant earnings show the median earnings of all Consultants who were paid in 2021.

CUSTOMERS - 90%

90% of those who order Rodan + Fields products are strictly customers, who love the visible life-changing results of R+F products and continue to enjoy them month over month. These customers just simply love our R+F products. Only a select few of them will ever decide to become a Consultant and build an R+F business.

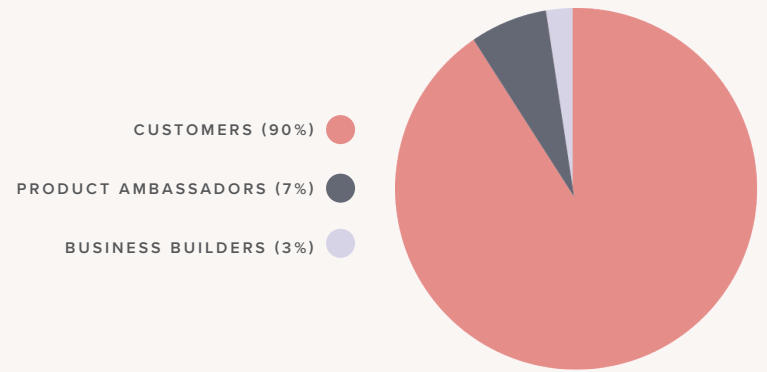
	# OF CUSTOMERS	% OF PAID CONSULTANTS	INCOME			TEAM CUST COUNT		
			HIGH	LOW	MEDIAN	MIN	AVG	MEDIAN
PRODUCT AMBASSADORS <i>73% of Paid Consultants</i>	LESS THAN 5	53%	\$25,735	\$20	\$141	1	2	2
	5 to 9	13%	\$122,355	\$24	\$629	5	7	6
	10 to 20	5%	\$105,142	\$130	\$1,701	10	14	12
	20+	1%	\$45,737	\$845	\$4,376	20	31	25

BUSINESS BUILDERS		# OF PAID CONSULTANTS	INCOME			TEAM CUST COUNT	
			HIGH	LOW	MEDIAN	MIN	MEDIAN
DEVELOPING BUSINESS <i>22% of Paid Consultants</i>	C*	11.32%	\$16,522	\$20	\$472	1	5
	C	3.96%	\$14,019	\$20	\$1,572	1	12
	EC	6.22%	\$29,114	\$936	\$4,695	1	35

EVOLVING LEADERSHIP			INCOME			TEAM CUST COUNT	
			HIGH	LOW	MEDIAN	MIN	MEDIAN
<i>5% of Paid Consultants</i>	LI	2.74%	\$35,224	\$2,192	\$6,965	2	87
	LII	1.81%	\$103,123	\$2,903	\$10,921	5	204
	LIII	0.62%	\$203,204	\$6,100	\$20,331	42	447
	LIV	0.28%	\$147,088	\$10,109	\$31,651	141	843

ADVANCED LEADERSHIP**			INCOME			TEAM CUST COUNT	
			HIGH	LOW	MEDIAN	MIN	MEDIAN
<i><1% of Paid Consultants</i>	LV+	0.56%	\$2,933,919	\$14,461	\$92,683	211	2,795

** Advanced Leadership includes LV, Premier, Elite and RFX Consultant Leaders.



PRODUCT AMBASSADORS %7

7% of the R+F community love the visible life-changing results of R+F products and are Consultants who focus primarily on sharing the products with consumers. These Consultants are product advocates and generate their commissions from product sales to new and existing customers. Product Ambassadors make up a large percentage (72%) of R+F paid Consultants.

BUSINESS BUILDERS 3%

The remaining 3% of the R+F community are Consultants who are our business builders. These Consultants not only love the life-changing visible results of R+F products but also its life-changing opportunity. They have made the decision to invest a significant amount of time and effort sharing the products with new Customers, building a loyal customer base and developing a team of Consultants to leverage the R+F opportunity.

We have 3 types of Business Builders:

DEVELOPING BUSINESS - 22% OF PAID CONSULTANTS

Consultants who dedicate time to sharing the R+F business with others can start developing their own skincare business. By sharing the brand and the products with their community they can make a difference through life-changing skincare one person at a time. As they begin to share the opportunity, which is considered the first step to becoming a business builder, they start to develop their own team

EVOLVING LEADERSHIP - 5% OF PAID CONSULTANTS

With consistency and effort, Consultants can evolve into skincare entrepreneurs as they continue to grow their Customer base and lead other developing business owners. As they grow their teams, these Consultants are dedicated to helping many people feel confident and empowered to share R+F products and the business with others. Those who have reached the evolving leadership status have a base of several customers, and they have also helped some start a business and become Developing Consultants.

ADVANCED LEADERSHIP - <1% OF PAID CONSULTANTS

Our highest-level Consultants lead larger teams, coach their teams towards their own business advancements and continue to have their own Customers. These Consultants demonstrate advanced leadership skills and continually show and share the power behind the R+F opportunity. Advanced Leadership Consultants are dedicated and invested in building a sustainable and meaningful R+F business.

*Excludes Consultants who were not paid in 2021

Income Disclosure Statement



What does it mean to enroll as a Rodan + Fields Independent Consultant?

As a Rodan + Fields Independent Consultant, you can choose the path that is best for you. You can participate simply by purchasing products at a discount for personal use, you can sell R+F products to retail customers for profit, and/or you can fully participate in the Rodan + Fields Compensation Plan by building a team, selling products to Preferred Customers, and earning monthly commissions. You may also be eligible for other bonuses, rewards, and incentives along the way!

Note: If you are joining just to purchase products for personal use, we recommend that you instead enroll as a Preferred Customer (PC) for a one-time fee of \$19.95 to enjoy the PC discount and all the perks that come along with this membership. Please see the PC Perks Terms and Conditions for more information.

What if I decide this just isn't for me?

No problem! If it turns out this isn't for you, you can cancel your Consultant Agreement at any time!

Additionally, all products come with a 60-day empty bottle money-back Satisfaction Guarantee — even if some of the product has been consumed. After 60 days and for up to one year from when you make your purchase, you may return any unsold product in resalable condition and/or the Business Starter Pack for a 100% refund of the purchase price (not including shipping costs) if the business does not work out for you and you terminate your Consultant account.†

What should I know prior to becoming a Rodan + Fields Independent Consultant?

- ▶ The only required purchase is a one-time purchase of the R+F \$75 Business Starter Pack
- ▶ Consultants are eligible to purchase products at reduced prices, create their own schedule, and have the potential to earn retail profit and monthly commissions.
- ▶ Independent Consultants' business results vary significantly, and no income is promised or guaranteed. Many earn “fun money” and income for discretionary purchases; some even earn more.
- ▶ Earnings depend on a number of factors, including leadership, business experience, expertise, quality and depth of network, and individual effort.
- ▶ Potential Consultants are urged to perform their own due diligence prior to making any decision to participate. Please review the R+F Policies & Procedures before deciding whether to enroll.

What are the ways I can earn money?

The R+F Compensation Plan is based on product sales. You cannot earn income from sponsoring or recruiting team members. You can earn by:

- ▶ Selling to retail customers and making retail profit (the difference between the Consultant price and the price you sell it for)
- ▶ Participating in the Rodan + Fields Compensation Plan and earning monthly commissions*
- ▶ Unlocking other rewards, incentives, bonuses, and gifts through various programs

How much can I expect to earn?

In 2021, R+F had 355,074 enrolled Consultants. 155,293 (44%) were Paid Consultants who received payment in at least one month for sales that occurred during 2021 and 199,781 (56%) were Consultants who received the benefit of discounted prices, but did not earn any compensation from R+F.

Please see other side for more details.

† Residents of Maryland, Wyoming, Massachusetts, and Puerto Rico can receive refunds on the Business Starter Pack purchase even after one year
 * To be eligible for commissions on products, you must have monthly sales to retail customers and/or personal purchases of roughly \$100 worth of product (measured in Volume). To receive greater commissions and maintain your status, your direct Customers must purchase and/or your direct Consultants must sell 600 in Volume** of products each month. For more information regarding the compensation plan, see the Rodan + Fields Compensation Plan or contact Sales Support at 1-415-273-8000.
 ** Volume is determined by the Consultant price of products, and sometimes, but not always, is the same as the Consultant price.

Income Disclosure Statement

The income statistics shown below include retail profit, commissions, and other cash payments earned by Consultants under the R+F Compensation Plan. In addition, there is potential to earn incentives and other rewards in recognition of performance. These statistics do not include expenses that may be incurred by Consultants such as optional personal products they may have purchased or money they chose to spend on their own for events, samples, or the like. Nothing more than the \$75 Business Starter Pack is required to open or operate an R+F Business. As a Consultant, you always earn retail profit on the sales you make.

The average paid Consultant earned \$462 annually. Average Consultant earnings show the average earnings of all Consultants who were paid in 2020.

CUSTOMERS - 90%

90% of those who order Rodan + Fields products are strictly customers, who love the visible life-changing results of R+F products and continue to enjoy them month over month. These customers just simply love our R+F products. Only a select few of them will ever decide to become a Consultant and build an R+F business.

	# OF CUSTOMERS	# OF PAID CONSULTANTS	INCOME			TEAM CUST COUNT		
			HIGH	LOW	MEDIAN	MIN	AVG	MEDIAN
PRODUCT AMBASSADORS <i>73% of Paid Consultants</i>	LESS THAN 5	49%	\$14,042	\$20	\$146	1	2	2
	5 to 9	15%	\$34,215	\$23	\$621	5	7	6
	10 to 20	7%	\$37,155	\$97	\$1,595	10	14	13
	20+	2%	\$41,311	\$658	\$3,835	20	31	25

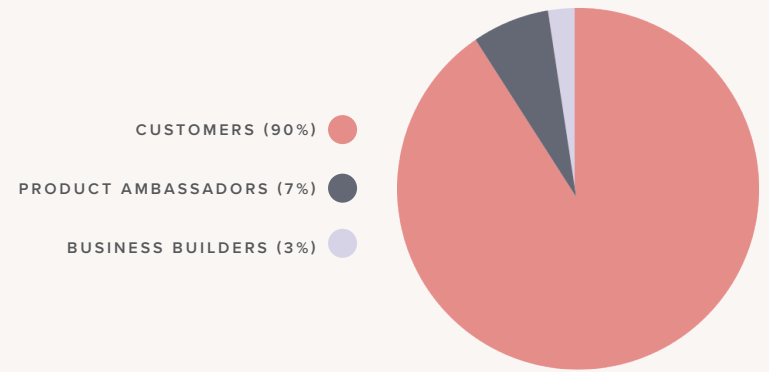
BUSINESS BUILDERS		# OF PAID CONSULTANTS	INCOME			TEAM CUST COUNT	
			HIGH	LOW	MEDIAN	MIN	MEDIAN
DEVELOPING BUSINESS <i>20% of Paid Consultants</i>	C*	9.03%	\$16,819	\$20	\$489	1	6
	C	4.09%	\$10,831	\$20	\$1,461	1	12
	EC	7.22%	\$78,442	\$639	\$4,265	1	35

EVOLVING LEADERSHIP <i>6% of Paid Consultants</i>							
	LI	3.17%	\$31,644	\$1,932	\$6,367	1	82
	LII	2.13%	\$62,576	\$3,184	\$10,800	4	195
	LIII	0.70%	\$124,311	\$7,466	\$19,420	41	434
LIV	0.32%	\$576,544	\$8,504	\$31,040	127	826	

ADVANCED LEADERSHIP <i><1% of Paid Consultants</i>							
	LV	0.48%	\$1,337,116	\$12,455	\$68,401	193	2,015
	PREMIER	0.11%	\$1,731,634	\$73,965	\$202,956	1,771	7,368
	ELITE	0.02%	\$2,644,256	\$202,576	\$435,109	7,288	17,015
RFX	0.02%	\$2,756,100**	\$276,051	\$946,912	7,437	39,138	

*Excludes Consultants who were not paid in 2020

**Average of top 5 RFX paid Consultants



PRODUCT AMBASSADORS - 7%

7% of the R+F community love the visible life-changing results of R+F products and are Consultants who focus primarily on sharing the products with consumers. These Consultants are product advocates and generate their commissions from product sales to new and existing customers. Product Ambassadors make up a large percentage (73%) of R+F paid Consultants.

BUSINESS BUILDERS - 3%

The remaining 3% of the R+F community are Consultants who are our business builders. These Consultants not only love the life-changing visible results of R+F products but also its life-changing opportunity. They have made the decision to invest a significant amount of time and effort sharing the products with new Customers, building a loyal customer base and developing a team of Consultants to leverage the R+F opportunity.

We have 3 types of Business Builders:

DEVELOPING BUSINESS - 20% OF PAID CONSULTANTS

Consultants who dedicate time to sharing the R+F business with others can start developing their own skincare business. By sharing the brand and the products with their community they can make a difference through life-changing skincare one person at a time. As they begin to share the opportunity, which is considered the first step to becoming a business builder, they start to develop their own team

EVOLVING LEADERSHIP - 6% OF PAID CONSULTANTS

With consistency and effort, Consultants can evolve into skincare entrepreneurs as they continue to grow their Customer base and lead other developing business owners. As they grow their teams, these Consultants are dedicated to helping many people feel confident and empowered to share R+F products and the business with others. Those who have reached the evolving leadership status have a base of several customers, and they have also helped some start a business and become Developing Consultants.

ADVANCED LEADERSHIP - <1% OF PAID CONSULTANTS

Our highest-level Consultants lead larger teams and coach their teams towards their own business advancements. These Consultants demonstrate advanced leadership skills and continually show and share the power behind the R+F opportunity. Advanced Leadership Consultants are dedicated and invested in building a sustainable and meaningful R+F business.

Income Disclosure Statement



What does it mean to enroll as a Rodan + Fields Independent Consultant?

As a Rodan + Fields Independent Consultant, you can choose the path that is best for you. You can participate simply by purchasing products at a discount for personal use, you can sell R+F products to retail customers for profit, and/or you can fully participate in the Rodan + Fields Compensation Plan by building a team, selling products to Preferred Customers, and earning monthly commissions. You may also be eligible for other bonuses, rewards, and incentives along the way!

Note: If you are joining just to purchase products for personal use, we recommend that you instead enroll as a Preferred Customer (PC) for a one-time fee of \$19.95 to enjoy the PC discount and all the perks that come along with this membership. Please see the PC Perks Terms and Conditions for more information.

What if I decide this just isn't for me?

No problem! If it turns out this isn't for you, you can cancel your Consultant Agreement at any time!

Additionally, all products come with a 60-day empty bottle money-back Satisfaction Guarantee — even if some of the product has been consumed. After 60 days and for up to one year from when you make your purchase, you may return any unsold product in resalable condition and/or the Business Starter Pack for a 100% refund of the purchase price (not including shipping costs) if the business does not work out for you and you terminate your Consultant account.†

What should I know prior to becoming a Rodan + Fields Independent Consultant?

- ▶ The only required purchase is a one-time purchase of the R+F \$75 Business Starter Pack
- ▶ Consultants are eligible to purchase products at reduced prices, create their own schedule, and have the potential to earn retail profit and monthly commissions.
- ▶ Independent Consultants' business results vary significantly, and no income is promised or guaranteed. Many earn "fun money" and income for discretionary purchases; some even earn more.
- ▶ Earnings depend on a number of factors, including leadership, business experience, expertise, quality and depth of network, and individual effort.
- ▶ Potential Consultants are urged to perform their own due diligence prior to making any decision to participate. Please review the R+F Policies & Procedures before deciding whether to enroll.

What are the ways I can earn money?

The R+F Compensation Plan is based on product sales. You cannot earn income from sponsoring or recruiting team members. You can earn by:

- ▶ Selling to retail customers and making retail profit (the difference between the Consultant price and the price you sell it for)
- ▶ Participating in the Rodan + Fields Compensation Plan and earning monthly commissions*
- ▶ Unlocking other rewards, incentives, bonuses, and gifts through various programs

How much can I expect to earn?

In 2020, R+F had 351,149 enrolled Consultants. 176,721 (50%) were Paid Consultants who received payment in at least one month for sales that occurred during 2020 and 174,428 (50%) were Consultants who received the benefit of discounted prices, but did not earn any compensation from R+F.

Please see other side for more details.

† Residents of Maryland, Wyoming, Massachusetts, and Puerto Rico can receive refunds on the Business Starter Pack purchase even after one year
 * To be eligible for commissions on products, you must have monthly sales to retail customers and/or personal purchases of roughly \$100 worth of product (measured in Volume). To receive greater commissions and maintain your status, your direct Customers must purchase and/or your direct Consultants must sell 600 in Volume** of products each month. For more information regarding the compensation plan, see the Rodan + Fields Compensation Plan or contact Sales Support at 1-415-273-8000.
 ** Volume is determined by the Consultant price of products, and sometimes, but not always, is the same as the Consultant price.

2019 INCOME DISCLOSURE STATEMENT

WHO WE ARE

Rodan + Fields (R+F) is dedicated to giving people the best skin of their lives through dermatologically-inspired skincare solutions. Launched in 2002 and founded by renowned Stanford-trained dermatologists, Dr. Katie Rodan and Dr. Kathy Fields, Rodan + Fields mission is to give consumers the best skin of their lives. Each of our proprietary Multi-Med® Therapy Regimens offer clinically-tested results and our standard of efficacy holds true with every new innovation. The brand is driven by its disruptive consumer connected commerce business model and community of entrepreneurs and provides the closest alternative to a professional skincare experience outside of a medical office. Consistent with R+F's passion to help people create life-changing opportunities, we give back through our Prescription for Change® (PFC) Foundation, which provides youths with life-changing empowerment programs.

OUR PROGRAM

Our Consultants are independent contractors who have developed business management skills, cultivated relationships within the R+F community, and challenged themselves to become comfortable in front of audiences. Many earn fun money and income for discretionary purchases; some even earn more. A Consultant can join for a purchase of as little as a \$45 Business Portfolio. Consultants are eligible to purchase products at reduced prices, create their own schedule, and have the potential to earn retail profit and monthly commissions.

The R+F Compensation Plan is based on product sales. You cannot earn income from sponsoring or recruiting team members. Over the course of 2019, R+F had 362,300 enrolled Consultants; 200,322 (55%) were Paid Consultants who received payment in at least one month for sales that occurred during 2019; and 161,978 (45%) were Consultants who received the benefit of discounted prices, but did not earn any compensation from R+F.

Of the Paid Consultants in 2019, approximately:

- Top 1% were paid more than \$26,096/annually
- Top 10% were paid more than \$4,327/annually
- Top 50% were paid more than \$466/annually

EARNINGS

The income statistics shown below include retail profit and commissions earned by Consultants under the R+F Compensation Plan. In addition, there is potential to earn bonuses and incentives in recognition of performance. These statistics do not include expenses that may be incurred by Consultants such as an optional Business Kit they may have purchased or money they chose to spend on their own for events, samples, or the like. Nothing more than the \$45 Business Portfolio is required to join or operate an R+F Business. As a Consultant, you always earn retail profits on the sales you make. To be eligible for commissions on products, you must have monthly sales to retail customers and/or personal purchases of roughly \$100 worth of product [measured in Volume*]. To receive greater commissions and maintain your status your direct Customers must purchase and/or your direct Consultants must sell 600 in Volume* of products each month. For more information regarding the compensation plan, see the Rodan + Fields Compensation Plan or contact Sales Support at 1 (415) 273-8000.

Independent Consultants' business results vary significantly, and no income is promised or guaranteed. Earnings depend on a number of factors, including leadership, business experience, expertise, quality and depth of your network, and individual effort. Potential Consultants are urged to perform their own due diligence prior to making any decision to participate. Please review the [R+F Policies & Procedures](#) before deciding whether to enroll.

Total Annual Payments Tier	Average Annual 2019 Income by Tier	Median Annual 2019 Income by Tier	% of Paid Consultants
Over \$500,000	\$1,201,944	\$841,438	0.00%**
\$250,000 to \$500,000	\$339,045	\$319,052	0.10%
\$100,000 to \$250,000	\$152,808	\$142,483	0.20%
\$50,000 to \$100,000	\$70,783	\$68,778	0.20%
\$25,000 to \$50,000	\$34,124	\$32,793	0.50%
\$10,000 to \$25,000	\$14,920	\$13,840	2.30%
\$5,000 to \$10,000	\$6,881	\$6,596	5.00%
\$1,000 to \$5,000	\$2,314	\$2,028	24.6%
Under \$1,000	\$306	\$227	67.1%

*Volume is determined by the Consultant price of products, and sometimes, but not always, is the same as the Consultant price.

**0.00% represents 70 Consultants who earned an average of \$1,201,944 in 2019

RETURNS

All products come with a 60-day empty bottle money back Satisfaction Guarantee – even if some of the product has been consumed. After 60 days and for up to one year from when you make your purchase, you may return any unsold product in resalable condition and/or Business Building Kit for a 100% refund of the purchase price (not including shipping costs) if the business does not work out for you and you terminate your Consultant account.***

***Residents of Maryland, Wyoming, Massachusetts, and Puerto Rico can receive refunds on the Business Portfolio purchase even after one year.

EXHIBIT D

Rodan and Fields, LLC Careers

Associate Manager, Global Programs & Incentives

[Apply](#)

Field Development/Sales • San Ramon, California

Description



Global Programs & Incentives Associate Manager

The Company

If you are looking for a life-changing career opportunity, we've got your prescription. Rodan + Fields® Dermatologists is a direct selling skincare company founded in 2000 by Dr. Katie Rodan and Dr. Kathy Fields, world-renowned dermatologists, and creators of Proactiv® Solution with a passion for giving people the best skin of their lives — and the confidence that comes with it. With effective products, a unique business model and a powerful community of Independent Consultants, Rodan + Fields has disrupted the skincare category to become a leading skincare brand in North America. The company has grown its innovative line of products and expanded into Canada and Australia. Headquartered in California, R+F employs hundreds of talented individuals and has more than 300,000 enrolled Independent Consultants and over 2 million Preferred Customers. At Rodan + Fields, you will be challenged to make an impact, inspired to do more, and rewarded for your contributions. We are transforming skincare, and we welcome your big ideas to fuel our ambitious growth plans! You'll become part of a positive, passionate, and purpose-driven company that is committed to putting people first and protecting our planet. Our 2025 Do Good commitment outlines the actions we are taking to invest in our global communities, support our people and preserve our planet. We provide a creative, vibrant workplace outfitted with all the technology, tools and training you'll need to learn, grow, and thrive!

Join us and share your talents as we develop innovative solutions for your skin and empower entrepreneurs. In addition to working arm-in-arm with industry leaders, employees at Rodan + Fields enjoy rich benefit plans, tuition reimbursement, a flexible workplace, and perks.

The Opportunity:

Rodan + Fields is currently in search of an Associate Manager for Global Programs and Incentives to oversee Consultant Incentives and Contests within our global operations. This role involves project management and ensuring the successful execution of these programs. The Associate Manager will report to the Director of Global Programs and Incentives, taking responsibility for various aspects such as asset development, marketing, field education, consultant communication, and reporting.

The ideal candidate will possess exceptional attention to detail, a dynamic and adaptable approach, a strong commitment to precision, and a proactive mindset. They should be resourceful and capable of managing multiple tasks and priorities while maintaining the highest quality of execution. We seek an individual who is motivated, passionate about marketing, and understands the critical importance of precision in their work. This is a full-time, high-performance position offering professional growth opportunities for an independent and motivated individual.

Responsibilities:

- **Project Management:** Effectively manage and coordinate Consultant Incentives and Contests programs on a global scale, ensuring all aspects are executed seamlessly.
- **Collaboration:** Work closely with the Director of Global Programs and Incentives to support and align with program objectives and strategies.
- **Analysis:** Supports the Director by assisting in pre-analysis and post-analysis activities, ensuring comprehensive evaluation and insights for program success.
- **Asset Development:** Oversee the development of program-related assets, including materials and resources required for successful implementation.
- **Marketing Support:** Contribute to the marketing efforts related to the programs, helping to create and execute marketing campaigns that drive engagement and participation.
- **Field Education:** Partner with the field education team to develop content to assist in educating and engaging the field consultants about the incentives and contests, providing them with the necessary information and resources for successful participation.
- **Communication:** Partner with the communication team to help facilitate clear and effective communication with Consultants regarding program details and updates.
- **Legal Compliance:** Collaborate with the legal team to ensure that all program materials and activities adhere to legal requirements and obtain necessary approvals.
- **Recognition:** Work closely with the recognition team to ensure that incentive achievers are duly recognized and celebrated for their accomplishments.
- **Multilingual Support:** Ensure that all program-related assets are effectively translated into Spanish, considering the needs of a diverse global audience.
- **Reporting:** Generate and maintain reports on program performance, ensuring that key performance indicators (KPIs) are tracked and analyzed regularly.
- **Detail-Oriented Execution:** Ensure that all program-related tasks and activities are carried out with meticulous attention to detail to maintain accuracy and quality.
- **Multi-Tasking:** Manage multiple tasks and priorities simultaneously without compromising the excellence of execution.
- **Proactive Approach:** Anticipate potential challenges and proactively address them to ensure smooth program operations.
- **Passion for Marketing:** Bring enthusiasm and a deep understanding of marketing principles to the role, helping to craft effective strategies and campaigns.
- **Professional Development:** Embrace opportunities for personal and professional growth, taking the initiative to develop your skills and expertise in the field.
- **High-Performance Standards:** Maintain a commitment to high-performance standards, striving for excellence in all aspects of the role.
- **Independence and Motivation:** Work independently with a self-driven and motivated approach to fulfill job responsibilities.

Qualifications:

- Possession of a Bachelor's degree or equivalent diploma.
- A minimum of 5 years of relevant experience is required, preferably in dynamic, high-performance settings.
- Demonstrated experience in managing sales incentives and contests.
- While direct sales experience is preferred, it is not mandatory.
- Proficiency in project management, along with strong interpersonal and communication abilities.
- Capability to efficiently manage projects involving cross-functional teams and meet tight deadlines.
- Skillful at multitasking in a fast-paced and frequently evolving environment.
- Proven track record in project management, taking ownership, and achieving results.
- Capacity to prioritize task execution based on business priorities.
- High level of business acumen.
- Self-motivated and capable of thriving in a fast-paced, team-oriented, collaborative setting.

- Clear and concise written and verbal communication skills.
- Profound problem-solving capabilities.
- Exceptional attention to detail and proficiency in proofreading.
- Flexibility in scheduling, with an understanding that some projects may necessitate additional work during evenings and weekends.
- Proficiency in utilizing the latest versions of all Microsoft Office applications.

Diversity at Rodan + Fields:

Rodan + Fields is an equal opportunity employer that champions diversity, inclusion, and equality for all. We welcome employees to be their true, authentic selves, without exception and believe individual differences add value to our team. Join our team; we know it will be a life-changing experience!

Regarding COVID-19:

Protecting the health and safety of the R+F community is always our top priority. We are closely following state, CDC, and OSHA (Occupational Safety and Health Administration) guidelines. Currently, our offices are open. We welcome employees to work from R+F offices as needed, to encourage collaboration and cross-functional partnership.

Our primary concern is for the health and well-being of our employees as well as candidates. We have transitioned all interviews and new hire onboarding to be conducted virtually via Zoom video conferencing.

Salary Range: \$XX

The pay range represents the low and high end of the salary range we reasonably expect to pay for this position at the time of posting. We may ultimately pay more or less than the posted range, and the range may be modified in the future. An employee's pay position within the salary range will be based on several factors including, but not limited to, to geographic location, experience, education, skills, qualifications, performance, and business or organizational needs. The range listed is just one component of Rodan + Fields' total compensation package for employees. Below is a list of benefit and compensation opportunities available for this position.

Benefits (U.S.)

1. Annual bonus opportunity
2. Paid company holidays
3. Accrued paid vacation time
4. Paid time off for maternity leave
5. Paid time off for parental leave
6. Paid time off for volunteering
7. Comprehensive health coverage including medical, dental, and vision
8. Company Contribution to personal Health Savings Account
9. Retirement Savings Plans with matching company contribution
10. Monthly allotment of R+F products
11. Fitness reimbursement
12. Tuition reimbursement
13. Employee Assistance Program (EAP)

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Field Marketing Manager

The Company

Rodan + Fields® is a direct selling skincare company founded by Dr. Katie Rodan and Dr. Kathy Fields, world-renowned dermatologists and creators of Proactiv® Solution. Rodan + Fields specializes in marketing clinically-proven skincare products with a unique business model that empowers people to become their own bosses and potentially earn substantial incomes with their growing organizations. With triple digit growth in revenues and consultants, groundbreaking product introductions and industry recognition, Rodan + Fields is a fun, fast-paced and exciting company in the heart of San Francisco.

The Opportunity

Rodan + Fields is seeking a Field Marketing Manager to help ideate and execute Field Marketing's key initiatives across print, video and online mediums. The Field Marketing Manager will be responsible for managing the voice Rodan + Fields' business presence, including all support tools and assets, as well as optimizing business marketing via social media strategies. This position will report to the Senior Manager of Field Communications and primarily work with Marketing and Field Development to target communications, and optimize business support materials.

The ideal candidate will be a strong writer and editor, familiar with motivating a sales field through capturing training and motivation in communication and asset form, in a variety of media. This person be able to look at the big picture while detailed oriented enough to manage complex projects. This is a full-time position that offers a lot of opportunity for a resourceful, motivated individual.

Core Responsibilities:

- Manage and execute key business marketing programs.
- Ensure consistent delivery of business marketing materials, calls to action, target audiences, metrics capture, etc.
- Support Sr. Manager of Field Communications in managing business marketing communications, including weekly newsletters and announcements, ensuring the right communications are sent to the correct people at the right time with the right message.
- Liaise Field Marketing initiatives with core business partners such as greater Marketing department and Field Development department.

Requirements:

- Must have a minimum of 4 years of experience in marketing to a sales force. Management experience, social media and direct sales experience preferred.
- Bachelor's degree in a related field required.

- Experience working with various, cross-functional, internal and external groups to deliver meaningful results on time and on budget with limited direction.
- Results-driven, innovative thinker.
- Project management experience, including managing business relationships with internal clients, external vendors, solution providers and contractors.
- Operate at hands-on detailed level in addition to strategic thinking.
- Excellent attention to detail and organizational skills and ability to create and maintain detailed documentation
- Outstanding written and verbal communication skills
- Self-disciplined and motivated in an environment that requires creativity and strong attention to detail.
- Ability to anticipate needs, innovate, multi-task and excel in a fast paced environment.
- Ability to positively adjust to a rapidly changing environment
- Advanced level knowledge of Microsoft Excel and PowerPoint presentation creation.

Rodan and Fields, LLC Careers

Field Communications Specialist

[Apply](#)

Commercialization - Calendar & Communications • Bay Area, United States

Description

Field Communications Specialist

Field Communications

Job Description

August 2023

The Opportunity

The Field Communications Specialist will report to the Senior Manager, Field Communications and provide general Field Communications support for the U.S. and Canada. The successful candidate will possess a passion for communications and content creation, preferably with communications or marketing experience in the Direct Selling channel. They will be proficient in written communications, creative and willing to learn about the Rodan + Fields business in order to help drive Consultant engagement and activity. They will possess strong project management skills in order to lead the production of *The Insider Scoop* weekly newsletter for our Field of Independent Consultants. This individual must be a team player, adept at working proactively, resourcefully and with a deep sense of urgency.

Responsibilities

- (40%) **Project Lead – *The Insider Scoop* weekly Independent Consultant newsletter** (U.S. + Canada)
 - Ensure the content spreadsheet is up to date and accurate
 - Route and track content/copy
 - Ensure production schedule is on time
 - Coordinate among team members to ensure all content is appropriate and complementary
 - Coordinate Spanish translation with Bilingual Copy Specialist
 - Program/schedule email send to our audience of ~300k active Consultants in the U.S. and Canada via the Salesforce Marketing Cloud platform
- (20%) **Field Leader Webinar Support**
 - Under Senior Director's direction, manages content/script routing, agenda tracking, webinar and rehearsal setup and other operations as needed for two monthly Leader webinars, plus any additional web event as needed.
 - PowerPoint creation/support
- (20%) **Copy writing/content creation as needed**
 - Write and edit all forms of Field-facing content as needed including, but not limited to, emails, social and communication website posts, PowerPoint presentations, etc.
 - Various support roles on Field Communications projects. Simple creative support via Photoshop, Canva etc. as needed.
- (10%) **Salesforce Marketing Cloud:** Programming/scheduling various Consultant emails and journeys for U.S. and Canada
- (10%) **Other duties as assigned:** Some administrative support for Canada Consultant communications (emails and social pages)

Qualifications

- BA/BS degree in Marketing, Communications, English, or related field
- Direct-selling experience, preferably in a Marketing or Communications function
- 3+ years professional writing and editing experience in a fast-paced, dynamic, and high-performance environment required
- 3+ years content creation (social posts, articles, video scripts, event content, etc.)
- Excellent communication skills, written and verbal (Writing sample required)
- Excellent grammar and editing skills
- Ability to establish and build partnerships cross-functionally
- Proficiency in Salesforce Marketing Cloud preferred
- Advanced proficiency in using the latest versions of all Microsoft Office applications, especially Microsoft Word and PowerPoint
- Experience in Photoshop and Canva preferred
- Ability to offer flexibility in schedule, understanding some projects may require additional work during evenings and some weekends

RODAN+FIELDS®

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EXHIBIT E

PULSE BY PENNY BUSINESS MANAGEMENT SUITE — U.S.A

PROGRAM DESCRIPTION

PULSE by Penny is a proprietary suite of web-based tools that provides business and customer relationship management resources to Rodan + Fields® ("R+F") Independent Consultants ("Consultant") to support product sales, team growth, downline productivity and Customer satisfaction and retention.

PULSE by Penny is available in two versions: **PULSE by Penny Basic ("Basic")** and **PULSE by Penny Pro ("Pro")**. Access to **Basic** includes basic business tools and reports, Comms Corner and full access to the Library, which houses business-related resources. Access to **Pro** includes all **Basic** features plus free shipping for Consultant Replenishment Program ("CRP") and ad hoc orders of 100 Sales Volume (SV) or more, one Personal Website ("PWS"), personalized Solution Tool, access to R+F Social and advanced reporting. **Pro** is available through an optional monthly subscription program. **Basic** is available to all Consultants without cost or subscription.

Pro can help Consultants establish a business presence online and features a Personal Website through which Consultants can sell R+F products and sponsor new Consultants, with all transactions automatically linked to their R+F Consultant IDs. A **Pro** subscription is optional, costs **\$24.95 USD plus applicable taxes, if any, per month and may be canceled by a Participating Consultant at any time by following the steps outlined in the "Cancellation Policy" section below.** It includes:

- One (1) Personalized Website:
 - A public skincare and haircare storefront and a site for prospective Consultants to learn more about and join the business, your designated with a unique site name (<https://<sitename>.myrandf.com>)
- The ability to provide a customized skincare and haircare routine to your Customers using the R+F Solution Tool
- Access to the R+F Social
- Advanced sales and business management reports and features
- Free shipping for CRP and ad hoc orders of 100 SV or more

Rodan + Fields Consultant acknowledges that they have read and agree to abide by all terms and conditions set forth in the [R+F Consultant Agreement](#) and [R+F Policies and Procedures](#), as well as the [Privacy Policy](#) and [Terms and Conditions](#) associated with the use of rodanandfields.com website. Rodan + Fields reserves the right to change the terms of the **Basic** and **Pro** programs at any time without notice. Any material changes to the terms of the **Basic** or **Pro** programs will be disclosed in advance via the Insider Scoop and/or email.

SUBSCRIBE TO PULSE BY PENNY PRO

Consultants may subscribe to **Pro** at any time during or after enrollment, provided that they are in compliance with the terms of their Consultant Agreement (which includes the Policies & Procedures).

BILLING

Upon subscribing to Pro, Consultants agree to a non-refundable monthly charge of \$24.95 USD plus applicable taxes if any, for each month while subscribed to Pro with the exception of your limited-time subscription included in your Business Starter Pack. Your limited-time subscription includes your enrollment month + the next full three months. Pro is automatically billed to the credit card on file on the same day every month, as displayed on the website during subscription signup. If you are a US Consultant and enroll in Pro between the 20th and the last day of the month, your card will be processed and charged on the 20th of the following month and every month thereafter. To review or change the billing information for your Pro subscription, log in to your PWS and select "Manage PULSE by Penny" from the drop-down menu.

CANCELLATION POLICY

Consultants may cancel their Pro subscription at any time by logging in to their account via www.rodanandfields.com, go to "My Account" > "Manage PULSE by Penny" > "Cancel PULSE by Penny Pro Subscription" and then click "Cancel PULSE by Penny Pro" to confirm. Consultants may also cancel their Pro subscription by calling Sales Support at 1 (415) 273-8000. When a Consultant cancels Pro, their subscription will remain active until the end of that billing cycle. All Pro features will be downgraded to Basic and all previously entered data will be deleted including, but not limited to, your PWS, contacts, and advanced reporting. Termination of a Consultant Agreement, whether by the Consultant or by Rodan + Fields, will result in automatic termination of all Basic and Pro features.

PULSE BY PENNY PRO AND PERSONAL WEBSITE REQUIREMENTS

Rodan + Fields Consultants may not publish, post or distribute on their Pro PWS or upload to Basic or Pro, any material that is defamatory, libelous, disparaging, threatening, offensive, harassing, abusive, obscene, pornographic, in violation of applicable law, inhibits others from enjoying your PWS or for which you do not have consent to upload or use.

- Rodan + Fields reserves the right to monitor PULSE by Penny and Consultant's PWS content including images and communications generated from PULSE by Penny if Rodan + Fields determines, in its sole discretion, that good cause exists to do so. Consultant acknowledges that Rodan + Fields has the right to monitor PULSE by Penny and PWS content, and Consultant specifically gives Rodan + Fields permission to monitor their PULSE by Penny and PWS content, including communications made on or through these tools, and to remove any noncompliant postings.
- Rodan + Fields Consultants may not violate or infringe on the rights of others, including privacy, publicity and proprietary rights. To the extent Rodan + Fields Consultant publishes or uploads content, including images, about or belonging to individuals other than the Consultant, the Consultant acknowledges that they are solely responsible for ensuring that they have consent from such individuals to publish such content on Pro, their PWS or upload such content to Basic or Pro. Rodan + Fields Consultant agrees to abide by all applicable privacy laws and regulations in collecting and processing any personal data belonging to such individuals or other third parties.
- It is the responsibility of each Rodan + Fields Consultant to ensure that their PWS complies with these Terms and Conditions, the R+F Policies & Procedures, including Section 11 thereof, and all applicable federal and state laws, rules and regulations.

- A Consultants PWS or other statements or communications shall not imply or guarantee that others will experience the same product results or achieve the same earnings as the Consultant. Appropriate disclaimers should be used to avoid any appearance of providing medical advice or guaranteed earnings. Please see the R+F Policies & Procedures for further details regarding income and product disclaimers.

For the full details of advertising, and the use of R+F trademarks and other R+F content, refer to Section 11 in the Rodan + Fields Policies & Procedures.

RODAN + FIELDS DISCLAIMS ANY AND ALL LIABILITY ARISING FROM CONTENT OR IMAGES PLACED ON CONSULTANTS PWS or in any communications sent through the PWS. Rodan + Fields Consultants are solely responsible for any statements or other content that is posted on their PWS.

This document is applicable to the U.S. Market.

EXHIBIT F

PULSE BY PENNY COMPARISON CHART — USA

	PULSE by Penny Basic	PULSE by Penny Pro
BUSINESS BASICS <ul style="list-style-type: none"> • Manage your R+F business with a high-level dashboard of your personal performance + that of your team, as well as basic reports 	✓	✓
THE LIBRARY <ul style="list-style-type: none"> • Get the info you need when you need it – like business-specific documents, product content, promotional materials and onboarding resources for new Consultants 	✓	✓
COMMS CORNER <ul style="list-style-type: none"> • A suite of engaging shareables 	✓	✓
ADVANCED REPORTING + TEAM DASHBOARD <ul style="list-style-type: none"> • Dive deep into your team’s performance • Identify coaching opportunities and best-sellers throughout your organization • Plus, follow up on trends with comprehensive analysis 	✗	✓
CUSTOM LISTS <ul style="list-style-type: none"> • Create your own lists of people to reach out to and about what 	✗	✓
SCRIPTING <ul style="list-style-type: none"> • Create, save and share scripts to make reaching out and reconnecting faster and easier 	✗	✓
SOLUTION TOOL QUIZ <ul style="list-style-type: none"> • Provide your customers with personalized R+F product recommendations • Foster one-on-one connections • Introduce your network to the brand via our skincare solution quiz 	✗	✓
PERSONAL WEBSITE <ul style="list-style-type: none"> • Get a professional, branded, personal storefront that makes it easier for Customers and prospective Consultants to do business with you 	✗	✓
R+F SOCIAL <ul style="list-style-type: none"> • Leverage your social media channels to unlock more business conversations with ready-to-use and customizable content plus analytical tools to evaluate engagement 	✗	✓
DAILY <ul style="list-style-type: none"> • Drive key business-building activities and capture momentum depending on your daily enthusiasm using a curated list of tasks personal to <i>you</i> 	✗	✓
FREE SHIPPING <ul style="list-style-type: none"> • On all qualifying orders of 100 Sales Volume or more 	✗	✓

**Included in your Business Starter Pack is a limited-time subscription to PULSE by Penny Pro for your enrollment month + the next full three months

INCLUDED

\$24.95/mo**

EXHIBIT G

PRIVACY POLICY

Last Updated 02/02/2023

Your privacy is important to us. Rodan & Fields, LLC, including all its subsidiaries and affiliates ("Rodan + Fields," "we," "our," and "us"), has created this Privacy Policy to help you become familiar with how we collect, use, disclose, share, and protect information Personally Identifiable Information (or "PII", defined below) and otherwise comply with applicable consumer privacy laws. We encourage you to read this Privacy Policy in its entirety before using <https://www.rodanandfields.com/> or any other online service (e.g., website or mobile app) that posts a link to this Privacy Policy, opening our e-mails or otherwise submitting PII to us (collectively the "Service").

By visiting or otherwise using the Service, you agree to the Service's [Terms and Conditions](#) and consent to Rodan + Fields®'s data collection, use, and disclosure practices, and other activities as described in this Privacy Policy, and any additional privacy statements that may be posted on an applicable part of the Service or otherwise at collection. If you do not agree and consent, please discontinue use of the Service, and uninstall Service downloads and applications.

Your State Privacy Rights: Residents of certain U.S. States have certain privacy rights detailed [here](#). To the extent that there is a conflict between this Privacy Policy and the State Privacy Notice, the State Privacy Notice will control for residents of such states.

About Ads and Tracking: Learn about certain choice options regarding [Tracking Technologies](#), including certain sharing of activities for internet-based advertising, including [Location-Based Advertising](#) and [Cross-Device Matching](#).

If you have any questions about this Privacy Policy or our privacy practices, please contact us [here](#).

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This Privacy Policy governs our practices with regards to PII collected when you access or use the Services, including the Rodan + Fields® website (or any of our international websites or applications) and any products, services, software, tools, applications, features or functionality offered on or through the website or mobile application (including any Rodan + Fields independent sales consultant ("Consultant(s)") personal web pages provided through the website) (collectively, the "Site"). You may be accessing our Services from a computer or mobile phone device (for example, through an iPhone or iPad application), or through a Rodan + Fields mobile application, and the provisions of this Privacy Policy apply to all such mobile access and use of mobile devices. From time to time, we may add additional products, services, software, tools, applications, features or functionality, offered through our Service, as we expand our offerings, and this Privacy Policy will govern those new products, services, software, tools, applications, features, or functionality when added.

PLEASE NOTE THAT THIS POLICY DOES NOT ADDRESS THE PRIVACY OR INFORMATION PRACTICES OF ANY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, OUR [INDEPENDENT CONSULTANTS](#) AND [THIRD-PARTY SERVICES](#).

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UPDATES TO THIS PRIVACY POLICY

Because our business will continue to evolve, our policies will be reviewed and may be revised from time to time. We may change this Privacy Policy at any time and will notify you by posting an updated version of the Privacy Policy. We recommend that you review this Privacy Policy from time to time during visits to the Site and note any changes before your continued use of the Service. Your continued use of the Service after we post any revisions to this Privacy Policy constitutes your acceptance of the revised terms and conditions as to such continued use. It is your responsibility to periodically check this page so that you are aware of what information we collect, how we use it, and under what circumstances we might disclose it.

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INFORMATION WE COLLECT ABOUT YOU

We collect the following types of data in order to provide the Services, help us personalize and improve your experience, and operate our business. The data we collect includes:

Personally identifiable information, which is information that identifies you personally (“Personally Identifiable Information” or “PII”), such as name, address, phone number, etc. The definition of “personal information” under certain state laws differs from the definition of PII used in this Privacy Policy. You can learn more about your state privacy rights [here](#).

Demographic information, such as your gender, age, ZIP code, interests, and recent upcoming purchases (“Demographic Information”). Except to the extent required by applicable law, Demographic Information not linked to PII is “non-Personally Identifiable Information” or “non-PII” (i.e., data that is not Personally Identifiable Information under this Privacy Policy) PII and therefore, may be used or shared without obligation to you, except as prohibited by applicable law.

PII, once “de-identified” or “aggregated” (i.e., the removal or modification of the personally identifiable elements, or the extraction of non-personally identifiable elements) is also non-PII. Non-PII may be used or shared without obligation to you, except as prohibited by applicable law. For instance, we may aggregate general information such as our customers’ geographic locations, age groups, genders, product and/or cosmetic concerns, and brands and products used in a manner that removes Consumer identities so that the aggregated information is not linked or reasonably linkable to any Consumer or household. Such aggregated information does not constitute PII.

We collect PII and non-PII in a variety of ways, including:

1. Information We Collect Automatically

We may collect information from you automatically when you interact with us, including, without limitation, as follows:

a. Location, device, and connection information

We may collect location data (including IP addresses), and device and connection information (such as referral URL). Your Internet Protocol (“IP”) address is a number that is automatically assigned to the computer that you are using by your Internet Service Provider. This number is identified and logged automatically in our server log files whenever you visit the Service, along with the time(s) of your visit(s) and the page(s) that you visited. We use your IP address, and the IP addresses of all users, for purposes such as calculating Service usage levels, helping diagnose problems with servers, analyzing trends, including suspicious activity detection and prevention, administering the Service, tracking traffic patterns, and gathering geographic information for aggregate and other use. Collecting IP addresses is standard practice on the Internet and is done automatically by many websites. If you access the Service via a mobile device such as a smartphone, the collected information may also include your device identifiers, location, and other similar mobile device data.

b. Environmental variables

We and our service providers may also collect certain environmental variables, such as your MAC address, computer type (Windows or Macintosh), screen resolution, OS version, internet browser, and internet browser version. These environmental variables are collected by most browsers, and may be used to optimize functionality.

c. Cookies and other Tracking Technologies

We, and our service providers and other third parties, may use cookies, web beacons, and similar technologies (“Tracking Technologies”) to collect data while you use our Service. This data is typically collected from the devices (including mobile devices) that you use. Tracking Technologies may track your activities across time and locations. Please see the [Cookies and Other Tracking Technologies](#) section below for more information, including regarding choices you have regarding Tracking Technologies.

d. Communications

Additionally, for quality, training and other purposes we may monitor or record our telephone conversations with you or anyone acting on your behalf, as well as monitoring use of the Service. By communicating with Rodan + Fields, or by using our Site, you acknowledge that your communications and activities may be overheard, monitored, or recorded.

2. Information You Provide to Us

We collect information you provide us when you use the Service or otherwise provide information to us, including:

- When you decide to complete a user registration form, complete an online survey, or make a purchase, you may be asked to provide your contact information (e.g., name, e-mail address, mailing address, and telephone number).
- When you place an order, we will also need to know your delivery and billing address, credit card number, and expiration date. Enrolling **Consultants** must also provide their date of birth, Social Security number, and other **PII** in order to begin a **consultantship**.
- When you make a purchase, we collect from you the information required to complete your purchase — such as your full name, e-mail address, credit card number, shipping, and billing addresses.
- When you communicate with us we collect information related to such communications.

3. Third Parties

We may collect information from or about you from other sources, including third parties, including our **Consultants** and third-party data providers. Please note that if you choose to share **PII** about yourself in an open format, such as through a Third-Party Service like Facebook or Twitter, some of that information could be deemed public.

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HOW WE USE PII

Rodan + Fields may use information about you, including **PII**, for any purposes not inconsistent with Rodan + Fields' statements under this Privacy Policy, or otherwise made by us in writing at the point of collection, and not prohibited by applicable law. Our primary purpose in collecting **PII** is to operate our business and to provide you with a secure, smooth, efficient, and customized experience. *We may use your PII to:*

1. Process Transactions and Send Related Notices

When you make a purchase, we may collect your credit card number or other payment account number, billing address, and other information related to such purchase (collectively, "Payment Information") from you, and use such Payment Information in order to fulfill your purchase. Please note that, notwithstanding anything to the contrary herein, your credit card or debit card information ("Credit Card Holder's Information" or "CCHI") will be used for payment on the spot, and it may be kept in your account in a tokenized format for future payments or regular payments. Rodan + Fields does not handle any CCHI on its own, and such CCHI is handled by external operators that manage the CCHI in accordance with the PCI data security standards and other industrial standards. Rodan + Fields is not responsible for, and makes no representations regarding, the privacy practices and policies, and other policies or business practices, of any third parties.

2. Provide Marketing and Newsletters

If you prefer not to receive commercial (i.e., primarily promotional) e-mails for us, please see the section below entitled [Opt-Out For Promotional & Marketing Communications](#).

3. Permit E-mails to Friends

We may provide the functionality to permit you to send messages regarding Site-related content or our products to a friend through the Service. If you wish to use this feature, you may provide us with your friend's e-mail address so that we can facilitate the sending of your message to your friend. Please note that you are responsible for ensuring you have obtained permission from your friend before sharing your friend's information with us.

4. Send Administrative Communications Regarding The Site, Service-Related Announcements, Etc.

Sending these communications are necessary to serve you, respond to your concerns, and provide the high level of customer service that Rodan + Fields offers. Because this information is not primarily promotional, you may not opt-out of receiving such communications.

5. Perform Additional Functions

- Provide sales support.
- Verify your identity, including during account creation and password reset processes.
- Manage risk, or to detect, prevent, and/or remediate suspicious account activity or other potentially prohibited or illegal activities.
- Manage and protect our information technology infrastructure.
- Contact you at any telephone number, by placing a voice call or through text (SMS) or e-mail messaging, as authorized by applicable law, our [Terms and Conditions](#), and/or our agreement with **Consultants** ("Consultant Agreement").
- Provide targeted marketing and advertising, provide service update notices, and deliver promotional offers based on your communication preferences.
- Detect, prevent, or remediate violations of our [Terms and Conditions](#), our policies and procedures, or **Consultant Agreement**.
- Otherwise operate our business except as may be inconsistent with the Privacy Policy, applicable notice at collection or applicable law.

We may use non-PII, including non-PII we create from PII, for any purpose not inconsistent with Rodan + Fields' statements under this Privacy Policy, or otherwise made by us in writing at the point of collection, and not prohibited by applicable law.

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HOW WE SHARE PII WITH OTHER THIRD PARTIES

Except as restricted by applicable law, this Privacy Policy, or an applicable notice at collection, Rodan + Fields may share the PII we collect from you, including your name, contact details, and transactions and activities, in connection with our business, including without limitation:

1. Independent Consultants

Your PII, and other information, may be shared with **Consultants**, who conduct sales as independent businesses, if you choose to be associated with a **Consultant**, which will constitute your direction to share your information with your **Consultant(s)**. If you so choose, we may share, for instance, your name, phone number, e-mail address, and other PII with **Consultants**, who may, in turn, share your PII with their upline organization (those **Consultants** who directly or indirectly sponsor the **Consultant** (an "Upline"). **Consultants**, including those in an Upline, may use this information for the purposes outlined in this Privacy Policy and their **Consultant Agreement**, including to follow up on orders you placed or contact you with other special offers about our products.

2. Friends

Please note that any PII you provide in connection with sending messages regarding us to a friend through the Service, such as your name and your e-mail address, and any message, will be disclosed to your friend.

3. Corporate Transactions

We reserve the right to transfer any and all information that we collect to a third party in connection with any financing, reorganization, restructuring, bankruptcy, merger, sale, joint venture, assignment, transfer, or other disposition of all or any portion of Rodan + Fields' business, assets or stock (including without limitation in connection with any due diligence related thereto).

4. Other Non-Affiliated Parties, Including Service Providers

a. Suspicious Activity Prevention and Risk Management

We may share PII to help prevent suspicious activity or assess and manage risk. For example, we may engage third-party vendors to assist us with fraud prevention.

b. Shipping

We may share PII in connection with shipping products you may have ordered through the Site. By selecting a third-party shipper you direct us to share your PII with them in connection with the shipping.

c. Other Service Providers

We may share PII to enable service providers under contract with us to support our business operations, such as bill collection, marketing, customer service, and technology services. In connection with digital advertising, analytics and other services, our service providers may also share your PII with other parties. See [Use of Cookies and Other Tracking Technologies](#) and [State Privacy Rights](#) for certain choices available with respect to cookies and related activities.

Please note that our employees and service providers may be located in foreign jurisdictions, and your PII may be subject to the laws of those foreign jurisdictions and accessible to law enforcement and other authorities.

Except as may be limited by applicable law, or our notice at collection, we may share non-PII for any purpose to any third party.

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USE OF COOKIES AND OTHER TRACKING TECHNOLOGIES

Like many other websites and applications, our Service may, directly or through trusted third parties, use Tracking Technologies, such as cookies, web beacons (also known as "tracking pixels"), device recognition technologies, in-app tracking methods, device and activity monitoring and other tracking technologies now and hereafter developed, for the purposes described in this section and elsewhere in this Privacy Policy.

This section helps you understand what Tracking Technologies are, how we use them, and the options that you have. By using our Services you consent to the Tracking Technologies you may encounter; provided, however, that there are a number of ways explained below in which you can limit Tracking Technologies.

1. Cookies

A cookie is a small text file that is stored on a user's device, which may be session ID cookies or tracking cookies. Session cookies make it easier for you to navigate the Services and expire when you close your browser. Tracking cookies remain longer and help in understanding how you use the Service and enhance your user experience. Cookies may remain on your hard drive for an extended period of time. If you use your browser's method of blocking or removing cookies, some but not all types of cookies may be deleted and/or blocked and as a result, some features and functionalities of the Service may not work. A Flash cookie (or locally shared object) is a data file which may be placed on a device via the Adobe Flash plug-in that may be built-in to or downloaded by you to your device. HTML5 cookies can be

programmed through HTML5 local storage. Flash cookies and HTML5 cookies are locally stored on your device other than in the browser and browser settings will not control them. To identify certain types of local shared objects on your device and adjust your settings, please visit:

www.macromedia.com/support/documentation/en/flashplayer/help/settings_manager.html. The Service may associate some or all of these types of cookies with your devices. See the [Your Choices Regarding Cookies and Tracking Technologies](#) section below to learn more about how you can exercise cookie preferences.

2. [Web Beacons / Tracking Pixels](#)

Tracking pixels are small graphic images, also known as “Internet tags” or “clear gifs,” embedded in web pages and e-mail messages. Tracking pixels may be used, without limitation, to count the number of visitors to the Service, to monitor how users navigate the Service, and to count content and e-mail views. We use tracking pixels to provide analytical information concerning the user experience as well as to support customization of our marketing and advertising activities. In contrast to cookies, which are stored on a user’s computer hard drive, tracking pixels are embedded invisibly on web pages.

3. [In-app tracking methods](#)

There are a variety of Tracking Technologies that may be included in mobile applications, and these are not browser-based like cookies and cannot be controlled by browser settings. Some use device identifier, or other identifiers such as “Ad IDs,” or may use “SDKs,” to associate app user activity to a particular app and to track user activity across apps and/or devices. SDKs are blocks of code that may be installed in our mobile application by third-party companies with which we work. SDKs help us understand how you interact with our mobile application and collect certain information about the device and network you use to access our application, such as the advertising identifier associated with your device and information about how you interact with our application.

4. [How we use Tracking Technologies?](#)

Tracking Technologies may be used, for instance, to gather information, customize your visit, and enable us to enhance our services (including through personalized advertisement). For example, we use Tracking Technologies to recognize you as a previous user of the Site so you do not have to enter your PII every time, and to offer you personalized content. We may use the information gathered through Tracking Technologies to create aggregate tracking information reports regarding user demographics, traffic patterns, and purchases. In some cases, we may link tracking information with PII. We may also use these technologies to help us better manage content, such as by improving the user interface. Finally, we and third parties may use these technologies (directly or through other parties and sources) to build a better picture of the type of offers and products that you might be interested in, cross-device matching, and interest-based advertising. See the [Choices Regarding Cookies and Tracking Technologies](#) section below to learn more about how you can exercise preferences regarding certain uses.

5. [Location-Based Services](#)

GPS (global positioning systems) software, geo-filtering and other location-aware technologies locate you, or make assumptions about your location, for purposes such as verifying your location and delivering or restricting content. Our website and app do not generally use location-specific advertising, except that our [“Find a Consultant”](#) feature may access and use information about your device location (such as based on IP address or GPS, as applicable), or your account information, to suggest appropriate Consultants in your area. We may use location information to engage in interactive, real-time discussions with users, which we or the users may initiate. See the [Choices Regarding Cookies and Tracking Technologies](#) section below to learn more about how you can exercise preferences regarding certain uses.

6. [Cross-Device Matching](#)

Technologies, including application of statistical probability to data sets, as well as linking a common unique identifier to different device use (e.g., Facebook ID), which attempt to recognize or make assumptions about users and devices (e.g., that a user of multiple devices is the same user or household) (“Cross-device Data”).

We may now or in the future use the data collected through Tracking Technologies (directly by us or by our service providers) and other data (i.e. deterministic data such as unique identifiers) to make educated predictions that give us the ability to match your devices. We may then, subject to the limitations otherwise set forth in this Privacy Policy and applicable law, display targeted advertisements to you across your devices (unless you have opted-out for a particular device as described in the options section below.)

7. [Interest-Based Advertising](#)

We may use the information we collect (alone or in combination with information provided by third parties and service providers) through Tracking Technologies (which may be combined with other PII such as your e-mail address), and from other sources, to deliver targeted advertising to you when you visit our Site or elsewhere. For example, if you are searching our Site for information on a particular product, we may use that information to cause an advertisement to appear on other websites you view promoting a product that matches your search.

We also partner with third parties that collect information across various channels, including offline and online, for purposes of delivering advertising that is more relevant to you. Our partners may place or recognize a Tracking Technology placed on your computer, device, or directly in our e-mails/communications, and we may share PII with them for interest-based advertising purposes. Our partners may use this information to recognize you across different channels and platforms, including but not limited to, computers, mobile devices, and Smart TVs, over time for advertising, analytics, attribution, and reporting purposes. Rodan + Fields is not responsible for, and makes no representations regarding, the policies or business practices of any third parties, including, without limitation, analytics Service Providers and Tracking Technologies associated with the Service.

See the [Choices Regarding Cookies and Tracking Technologies](#) section below to learn more about how you can exercise preferences regarding interest-based advertising.

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YOUR CHOICES REGARDING COOKIES AND TRACKING TECHNOLOGIES

1. Tracking Technologies Generally

Regular cookies may generally be disabled or removed by tools available as part of most commercial browsers and in some instances blocked in the future by selecting certain settings. Browsers offer different functionalities and options, so you may need to set them separately. In addition, tools from commercial browsers may not be effective with regard to Flash cookies (also known as locally shared objects), HTML5 cookies or other Tracking Technologies. For information on disabling Flash cookies, go to Adobe's website <http://helpx.adobe.com/flash-player/kb/disable-third-party-local-shared.html>.

You may choose to decline Tracking Technologies by adjusting your browser preferences, and we offer a cookie preference center here: [Your Privacy Choices](#), that allows you to do so more specifically, but doing either may affect your use of the Service and your ability to access certain features or engage in certain transactions through the Service. If you delete your cookies, change browsers, or change devices, cookies that the Service may have used in the past (or an opt-out cookie) may no longer work.

Some app-related Tracking technologies in connection with non-browser usage (e.g., most functionality of a mobile app) can only be disabled by uninstalling the app. To uninstall the app, follow the instructions from your operating system or handset manufacturer. Apply and Google mobile device settings have settings to limit ad tracking, and other tracking, but these may not be completely effective.

Your browser settings may allow you to automatically transmit a "Do Not Track" signal to online services you visit. Note, however, there is no consensus among industry participants as to what "Do Not Track" means in this context. Like many online services, Rodan + Fields' currently does not alter Rodan + Fields' practices when Rodan + Fields' receives a "Do Not Track" signal from a visitor's browser. This is different from Global Privacy Control signals and Online Privacy Preference Signals explained in the Your State Privacy Rights section below.

Some third parties may offer you choices regarding their Tracking Technologies. One way to potentially identify cookies on our web site is to add the free Ghostery plug-in to your browser (www.ghostery.com), which according to Ghostery will display for you traditional, browser-based cookies associated with the web sites (but not mobile apps) you visit and privacy and opt-out policies and options of the parties operating those cookies. Rodan + Fields' is not responsible for the completeness or accuracy of this tool or third-party choice notices or mechanisms. For specific information on some of the choice options offered by third-party analytics and advertising providers, see the next section. We may, from time-to-time, offer or point you to tools that allow you to exercise certain preferences regarding cookies and other Tracking Technologies associated with the Services, but such tools rely on third parties and third-party information so we do not guaranty that the tools will provide complete and accurate information or be completely effective. For instance, here is where you can find cookie controls for popular browsers:

- [Google Chrome](#)
- [Firefox](#)
- [Internet Explorer](#)
- [Edge](#)
- [Safari](#)

We do not represent that these third-party tools, programs or statements are complete or accurate. You will need to do this on each browser that you use to access our Services, and clearing cookies on your browser(s) may disable your preference settings. In addition, our Site may not function properly or as intended if you block all or even certain cookies. Accordingly, you may want to consider the more limited opt-out choices noted in the next section.

2. Analytics, Interest-Based Advertising, and Tracking Technologies Opt-Out

You may exercise choices regarding certain use of cookies from Google Analytics by going to <https://tools.google.com/dlpage/gaoptout> or downloading the Google Analytics Opt-out Browser Add-on.

As described in this Privacy Policy, and to the extent permitted by law, we may collect (or allow third parties such as ad networks, web analytics companies, and social networking platforms) to collect information about your online activities over time and across our Site and other third-party online properties or services. These third parties may use information about your visits to our Site and other sites, and general geographic information in order to provide advertisements about goods and services of interest to you, and are treated by us as [Third-party Services](#) under this Privacy Policy. You may choose whether to receive some interest-based advertising by submitting opt-outs. For more information about third-party advertisers and how to prevent them from using your information, please visit <http://www.networkadvertising.org/choices/>. This is a site offered by the Network Advertising Initiative ("NAI") that includes information on how Consumers can opt-out of receiving interest-based advertising from some or all of NAI's members. You can also visit <http://www.aboutads.info/choices>, which is a site offered by the Digital Advertising Alliance ("DAA") that includes information on how Consumers can opt-out of receiving internet-based advertising from some or all of DAA's participating companies. For Canada, you can visit <https://optout.aboutads.info/?c=3&lang=en>, which is the site offered by Digital Advertising Alliance of Canada ("DAAC"), that includes information on how Consumers may opt-out of interest-based advertising for companies participating in the DAAC. Opting out of interest-based advertising does not mean that you will no longer see any advertisements; rather, you will still see advertisements that are general and not tailored to your specific interests and activities. Also, if your browsers are configured to reject cookies when you visit these opt-out webpages, or you subsequently erase your cookies, use a

different device or web browser or use a non-browser-based method of access (e.g., mobile app), your NAI / DAA browser-based opt-out may not, or may no longer, be effective. Rodan + Fields supports the ad industry's [Self-regulatory Principles for Online Behavioral Advertising](#) and the [Canadian Self-Regulatory Principles for Online Behavioural Advertising](#). We expect that ad networks we directly engage to serve you Interest-based Advertising will do so as well, though we cannot guaranty their compliance. We are not responsible for effectiveness of, or compliance with, any third parties' opt-out options or programs or the accuracy of their statements regarding their programs.

3. [Device-Based Opt-Out](#)

In general, opt-outs must be performed on each device and browser that you wish to have opted-out. For example, if you have opted out on your computer browser that opt-out will not necessarily be effective on your mobile device. In the event we are performing cross-device matching (as described above), once you have opted out on one device ("Opted-Out Device"), we will not use any new data from the Opted-Out Device to identify you on another device for interest-based advertising purposes and we will not use data from another device for interest-based advertising purposes on the Opted-Out Device.

4. [Mobile Apps](#)

With respect to Rodan + Fields' Apps, you can stop all collection of data generated by use of the app by uninstalling the app. Also, you may be able to exercise specific privacy choices, such as enabling or disabling certain features (e.g., tracking across apps and websites owned by other online services, location-based services, push notifications, accessing calendar/contacts/photos, etc.), by adjusting the permissions in your mobile device and/or the app's settings. For example, to limit receiving Interest-based Advertising on your mobile device, for iOS 14, go to "Settings," select "Privacy," select "Tracking," and then toggle off "Allow Apps to Request to Track." For earlier versions of iOS dating back to iOS 6, go to "Settings," select "Privacy," select "Advertising," and toggle on "Limit Ad Tracking." For Android, go to "Settings," select "Privacy," select "Ads," and then toggle on "Opt out of Ads Personalization." Beware that if GPS precise location services are disabled, other means of establishing or estimating location (e.g., connecting to or proximity to Wi-Fi, Bluetooth, beacons, or our networks) may persist. To learn more about how you can control location permissions using your mobile device's operating system settings, please visit the following links depending on which device you use:

Android:

For Android 6.0 and above: <https://support.google.com/googleplay/answer/6270602?hl=en>

For earlier versions of Android: <https://support.google.com/googleplay/answer/6014972>

iOS: <https://support.apple.com/en-us/HT207056>

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[TRANSFER OF INFORMATION OUTSIDE YOUR HOME COUNTRY](#)

Rodan + Fields is headquartered in the United States. The Services and information we and our service providers collect and process is governed by the laws of the United States. If you are accessing the Service from outside of the U.S., please be aware that information collected through the Service may be transferred to, processed, stored, and used in the U.S., or to other countries or places in which we maintain offices or do business, including Australia, Canada, and Japan. Data protection laws in those jurisdictions may be different from those of your country of residence. Your use of the Service or provision of any information therefore constitutes your consent to the transfer, processing, usage, sharing, and storage of your information, including Personally Identifiable Information, to the U.S. or elsewhere, as set forth in this Privacy Policy.

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[LAW ENFORCEMENT; EMERGENCIES; COMPLIANCE](#)

Notwithstanding any other provision of this Privacy Policy to the contrary, we reserve the right to disclose your PII to others as we believe to be appropriate: (a) to comply with legal process; (b) to respond to governmental requests; (c) to enforce our Terms and Conditions; (d) to protect our operations; (e) to protect the rights, privacy, safety or property of Rodan + Fields, you or others; and (f) to permit us to pursue available remedies or limit the damages that we may sustain. We may disclose any information we deem necessary, in our sole discretion, to comply with any applicable law, regulation, legal process, or governmental request.

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[CHILDREN](#)

The Service is intended for a general audience and not directed to children less than 13 years of age. We do not knowingly collect information from children under thirteen (13). Under our [Terms and Conditions](#), children are not permitted to use our Site or Service.

Rodan + Fields does not intend to collect personal information as defined by the U.S. Children's Online Privacy Protection Act ("COPPA") ("Children's Personal Information") in a manner that is not permitted by COPPA. If we obtain knowledge that we have collected Children's Personal Information in a manner not permitted by COPPA, we will delete such data to the extent required by COPPA.

As described more [below](#) California residents under the age of eighteen (18) who have registered to use the Service, and who posted content or information on the Service, can request removal by contacting Rodan + Fields [here](#), detailing where the content or information is posted and attesting that you posted it. Rodan + Fields will then make reasonable good faith efforts to remove the post from prospective public view or anonymize it so the minor cannot be individually identified to the extent

required by applicable law. This removal process cannot ensure complete or comprehensive removal. For instance, third parties may have republished or archived content by search engines and others that Rodan + Fields does not control.

SOLUTION TOOL

To provide you with advanced skin diagnostics and personalized recommendations and advice, we offer the use of our Solution Tool. The Solution Tool uses your selfie image to analyze a scan of your face to facilitate your use of the tool and to develop your personalized skincare results and recommendations. We do not use your selfie image or any associated facial data for identification purposes, and we will permanently destroy your selfie image after completion of the skin diagnostics analysis.

THIRD-PARTY SERVICES

We may interact with to you on, or the Site may contain or link to third-party services, including social network and/or commerce providers, and you may interact with R+F independent Consultants on and off of our Site ("Third-party Services"). The use of any features made available to you on our Site by a Third-party Service (e.g., a "like" button or social media plug-in, visiting our branded pages on Third Party Services (e.g., [Instagram](#), [Facebook](#), [TikTok](#), [Twitter](#), [Pinterest](#), and [YouTube](#)), or your providing information to Consultants, including through their pages on our Site, may result in information being collected or shared about you by the third party or by us. Third-party Services are not under Rodan + Fields' control and we are not responsible for the privacy or other practices, or the contents of, any such Third-party Service. We provide links or access to Third-party Services only as a convenience, and the inclusion of a link or plug-in on the Site does not imply endorsement of the Third-party Service by Rodan + Fields.

Please read the privacy policies of third-party services because the information they collect and the posts they may publish will be governed by their privacy policies respectively. Except to the extent you provide or disclose your PII to us (e.g., via a private messaging function on a third-party service), our Privacy Policy does not govern third-party service activities.

HOW WE SECURE YOUR INFORMATION

We realize that our customers trust us to protect their PII. We take that task seriously and take reasonable measures to protect PII we collect from loss, theft, misuse and unauthorized access, disclosure, alteration, and destruction. We maintain physical, electronic, and procedural safeguards to protect your PII. We implement various security measures and tools, such as firewalls, to help protect against the loss, misuse, and alteration of the information under our control.

Data transmission over the Internet or in a data storage system cannot be guaranteed to be 100% secure. There is always a risk that third parties may unlawfully intercept transmissions or otherwise access data. If you have reason to believe that your interaction with us is no longer secure (for example, if you feel that the security of any account that you might have with us has been compromised), please notify us of the problem by e-mailing us at privacy@rodanandfields.com.

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MEASURES YOU CAN TAKE

It is important for you to play a role in keeping your information safe and secure. When signing up for an online account, please be sure to choose an account password that is hard for others to guess and never reveal it to anyone else. If you use a shared or public computer, never choose to have your login ID or password remembered and make sure to log out of your account every time you leave the computer.

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UPDATING AND ACCESSING YOUR INFORMATION

We will post any changes to this Privacy Policy to the website. The changes will apply prospectively, not retrospectively.

You have the ability to change and/or correct the PII that you provide us by e-mailing us at privacy@rodanandfields.com. Under applicable law, you may have the right to ask in writing whether we hold any PII about you, to see that information, and request additional details as to how we collect, use or disclose your PII. See the [Your State Privacy Rights](#) section below for more information. We may not be able to provide you with all the information that you request, depending on the circumstances, and there may be a charge for any copy of PII requested. You may request that we deactivate your account by e-mailing us at privacy@rodanandfields.com.

Please note that we may need to retain certain information for record-keeping purposes, and there may also be residual information that will remain within our databases and other records, which applicable law may allow us to retain. We may contact former users of the Site who have not explicitly withdrawn consent to promotional communications in accordance with applicable laws.

You can make changes to your account profile information through "Account Settings." This will only change your account profile and not other records. Residents of some states have additional rights as set forth in the [State Privacy Notice](#).

OPT-OUT FOR MARKETING & PROMOTIONAL CORRESPONDENCE

You may opt-out of receiving future commercial (i.e., promotional) e-mails from Rodan + Fields. Please note that this opt-out only applies to Rodan + Fields promotional e-mails. You may opt-out of receiving promotional e-mails by using the opt-out mechanism in the footer of the e-mail itself or by e-mailing us at optout@rodanandfields.com. You may also opt-out of receiving text communications (e.g., SMS) by following the instructions provided in text messages from Rodan + Fields to text the word, "STOP." If you are using our app and would like to opt-out of push notifications, you may turn off push notifications on the settings of your device and/or the app, as applicable.

We will endeavor to comply with your request as soon as reasonably practicable. Please note that your opt-out is limited to the e-mail address or phone number used and will not affect subsequent subscriptions. If you opt-out of only certain communications, other communications may continue. Even if you opt-out of receiving promotional communications, Rodan + Fields may, subject to applicable law, continue to send you non-promotional communications, such as those about your account, transactions, servicing, or Rodan + Fields' ongoing business relations with you. In addition, opting-out as described above will not remove your information from our databases or the databases of **Consultants** or third parties. If you wish to cease receiving marketing-related e-mails from such **Consultants** or other third parties, please contact such **Consultants** or third parties directly or utilize any opt-out mechanisms set forth in their respective privacy policies or marketing-related e-mails.

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YOUR STATE PRIVACY RIGHTS

This U.S. State Privacy Notice ("Notice") applies to "Consumers" as defined under the California Consumer Privacy Act, including as amended by the California Privacy Rights Act (together, the "CCPA"), the Colorado Privacy Act, the Virginia Consumer Data Protection Act, the Utah Consumer Privacy Act, Connecticut's Act Concerning Personal Data Privacy and Online Monitoring, Chapter 603A of the Nevada Revised Statutes, and all laws implementing, supplementing or amending the foregoing, including regulations promulgated thereunder (collectively, "U.S. Privacy Laws"). Capitalized terms used but not defined in this Notice shall have the meanings given to them under U.S. Privacy Laws.

For purposes of this Notice, the term "Consumers" includes California residents who purchase products from our website in a business-to-business ("B2B") context, such as individuals who enroll to become R+F Independent **Consultants** ("**Consultants**"), individuals who are current or former **Consultants**, or individuals who register to attend [Rodan + Fields Community Events](#). For more information on how to become a **Consultant**, click [here](#).

This Notice is designed to meet our obligations under U.S. Privacy Laws and supplements the general privacy policies of Rodan + Fields including, without limitation, our [Privacy Policy](#). In the event of a conflict between any other Rodan + Fields policy, notice, or statement and this Notice, this Notice will prevail as to Consumers unless stated otherwise.

Applicability:

- Section 1 (Notice of Data Practices) of this Notice provides notices of our data practices, including our collection, use, disclosure, and sale of Consumers' Personal Information or Personal Data (collectively, "PI"). However, Section 1 does not apply to PI collected from our job applicants and current and former employees ("Personnel"). California Personnel may contact our Human Resources Department for a copy of the privacy notice that applies to them.
- Sections 2 (Your Consumer Rights and How to Exercise Them), 3 (Non-Discrimination/Non-Retaliation), 4 (Notice of Financial Incentive Programs), 5 (Our Rights and the Rights of Others) of this Notice provide information regarding Consumer rights (including California Personnel) and how you may exercise them.
- Section 6 (Additional Notice for California Residents) of this Notice provides additional information for California residents.

1. Notice of Data Practices

The description of our data practices in this Notice covers the twelve (12) months prior to the Effective Date and will be updated at least annually. Our data practices may differ between updates, however, if materially different from this Notice, we will provide supplemental pre-collection notice of the current practices, which may include references to other privacy policies, notices, or statements. Otherwise, this Notice serves as our notice at collection.

We may Collect your PI directly from you (e.g., when you register for an account); your devices; our affiliates; service providers; public sources of data; credit reporting agencies; or other businesses or individuals.

Generally, we Process your PI to provide you services and as otherwise related to the operation of our business, including for one or more of the Business Purposes enumerated in the charts that follow. We may also use PI for other Business Purposes in a context that is not a Sale or Share under U.S. Privacy Laws, such as disclosing it to our Service Providers, Contractors, or Processors that perform services for us ("Vendors"), to the Consumer or to other parties at the Consumer's direction or through the Consumer's action; for the additional purposes explained at the time of collection (such as in the applicable privacy policy or notice); as required or permitted by applicable law; to the government or private parties to comply with law or legal process or protect or enforce legal rights or obligations or prevent harm; and to assignees as part of an acquisition, merger, asset sale, or other transaction where another party assumes control over all or part of our business ("Corporate Transaction") ("Additional Business Purposes"). Subject to restrictions and obligations under U.S. Privacy Laws, our Vendors may also use your PI for Business Purposes and Additional Business Purposes and may engage their own vendors to enable them to perform services for us.

We may also use and disclose your PI under this Notice for Commercial Purposes, which may be considered a "Sale" or "Share" under applicable U.S. Privacy Laws, such as when Third-Party Digital Businesses (defined below) Collect your PI via third-party cookies, and when we Process PI for certain advertising purposes.

We provide more detail on our data practices in the charts that follow.

a. PI Collection, Disclosure, and Retention – By Category of PI

Category of PI	Examples of PI Collected and Retained	Categories of Recipients
1. Identifiers	Real name, alias, postal address, unique personal identifiers, online identifier, Internet Protocol address, e-mail address, and account name.	<p>Business Purpose Disclosure:</p> <ul style="list-style-type: none"> • Vendors (e.g., general IT, data analytics providers, payment processors, fulfillment vendors, and marketing services providers); • Payment vendors to provide commissions and other performance incentives to Independent Consultants; • Other members of our corporate group; • Governmental entities (making requests pursuant to law or legal process); • Third Parties (e.g., Consultants) at the Consumer's direction; • Other third parties as necessary to provide services to our clients; and/or • Other parties within the limits of Additional Business Purposes. <p>Sale/Share: N/A</p>
2. Personal Records	Name, signature, description, address, telephone number, and financial information (e.g., payment card information). Some PI included in this category may overlap with other categories.	<p>Business Purpose Disclosure:</p> <ul style="list-style-type: none"> • Vendors (e.g., general IT, data analytics providers, payment processors, fulfillment vendors, and marketing services providers); • Payment vendors to provide commissions and other performance incentives to Independent Consultants; • Other members of our corporate group; • Governmental entities (making requests pursuant to law or legal process); • Third Parties (e.g., Consultants) at the Consumer's direction; • Other third parties as necessary to provide services to our clients; and/or • Other parties within the limits of Additional Business Purposes. <p>Sale/Share: N/A</p>
3. Personal Characteristics or Traits	In some circumstances, we may Collect PI that is considered protected under U.S. law, such as age range, gender, but only when that information is relevant for our	<p>Business Purpose Disclosure:</p> <ul style="list-style-type: none"> • Vendors (e.g., general IT, data analytics providers, payment processors, and marketing services providers);

Category of PI	Examples of PI Collected and Retained	Categories of Recipients
	Business Purposes. We abide by the legal requirements imposed under applicable law in regards to such information.	<ul style="list-style-type: none"> • Other members of our corporate group; • Third Parties (e.g., Consultants) at the Consumer’s direction; • Other third parties as necessary to provide services to our clients; and/or <ul style="list-style-type: none"> • Other parties within the limits of Additional Business Purposes. Sale/Share: N/A
4. Customer Account Details / Commercial Information	Records of products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.	Business Purpose Disclosure: <ul style="list-style-type: none"> • Vendors (e.g., general IT, data analytics providers, payment processors, operations and administrative vendors, cloud services providers, fulfillment vendors, and data storage services); • Other members of our corporate group; • Third Parties (e.g., Consultants) at the Consumer’s direction; • Other third parties as necessary to provide services to our clients; and/or • Other parties within the limits of Additional Business Purposes. Sale/Share: N/A
5. Internet Usage Information	When you browse our sites or otherwise interact with us online, we may Collect browsing history, search history, and other information regarding your interaction with our sites, applications, or advertisements.	Business Purpose Disclosure: <ul style="list-style-type: none"> • Vendors (e.g., general IT, data analytics providers); • Other members of our corporate group; • Third Parties (e.g., Consultants at the Consumer’s direction); • Other third parties as necessary to provide services to our clients; and/or • Other parties within the limits of Additional Business Purposes. Sale/Share: Cookie Operators (but see Do Not Sell section below).
6. Geolocation Data	If you interact with us online we may gain access to the approximate location of the	Business Purpose Disclosure:

Category of PI	Examples of PI Collected and Retained	Categories of Recipients
	device or equipment you are using.	<ul style="list-style-type: none"> • Vendors (e.g., general IT, data analytics providers); • Other members of our corporate group; • Third Parties (e.g., Consultants) at the Consumer's direction; • Other third parties as necessary to provide services to our clients; and/or • Other parties within the limits of Additional Business Purposes. <p>Sale/Share: N/A</p>
7. Sensory Data	We may Collect audio, electronic, or similar information, such as when you contact us through our customer service line, recordings in our facilities for security purposes, and via our Solution Tool if you opt-in to allow us to recommend products to you.	<p>Business Purpose Disclosure:</p> <ul style="list-style-type: none"> • Vendors (e.g., security vendors and call centers); • Other members of our corporate group; • Governmental entities (making requests pursuant to law or legal process); • Third parties (e.g., Consultants) at the Consumer's direction; and/or • Other third parties as necessary to provide services to our clients <p>Sale/Share: N/A</p>
8. Inferences from PI Collected	Inferences drawn from PI to create a profile about a Consumer reflecting preferences, characteristics, and behavior.	<p>Business Purpose Disclosure:</p> <ul style="list-style-type: none"> • Vendors (e.g., marketing services providers); • Other members of our corporate group; • Third Parties (e.g., Consultants) at the Consumer's direction; and/or • Other third parties as necessary to provide services to our clients <p>Sale/Share: N/A</p>
9. Sensitive PI	Government Issued Identification Numbers (e.g., social security information, driver's license, state ID card, or passport number)	<p>Business Purpose Disclosure:</p> <ul style="list-style-type: none"> • Vendors (e.g., general IT, software vendors); • Other members of our corporate group; • Governmental entities (making requests pursuant to law or legal process); and/or

Category of PI	Examples of PI Collected and Retained	Categories of Recipients
		<ul style="list-style-type: none"> • Other parties within the limits of Additional Business Purposes. <p>Sale/Share: N/A</p>

There may be additional PI we collect that meets the definition of PI under the CCPA but is not reflected by a category above, in which case we will treat it as PI as required, but will not include it when we describe our practices by PI category. Because there are numerous types of PI in each category listed above, and various uses for each PI type, our data retention practices vary widely. However, we retain specific Personnel PI pieces based on how long we have a legitimate purpose for the retention.

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b. PI Use and Disclosure – By Processing Purpose

Processing Purpose(s)	Examples(s) of Processing Purpose	Categories of PI Implicated	Categories of Recipients
Performing Services	<p><u>Provide our services/communicate about our services:</u> to provide you with info or services, to send you electronic newsletters and push notifications (if you have elected to receive such), to communicate with you about your use of the services, to provide you with special offers or promotions.</p> <p><u>Enable additional features of our sites:</u> to enable you to participate in a variety of our site's features, including the Solution Tool, if you opt-in to allow us to recommend products to you.</p> <p><u>Process orders:</u> to process or fulfill an order or transaction</p> <p><u>Contact You:</u> to contact you about your use of our services and, in our discretion, changes to our services or our service's policies</p> <p><u>Account management:</u> to process your registration with our services, verify your info is active and valid, manage your account, and to administer our PC Perks Program and any other customer loyalty program.</p>	<ul style="list-style-type: none"> • Identifiers • Personal Records • Personal Characteristics or Traits • Customer Account Details/Commercial Information • Internet Usage Information • Geolocation Data • Sensory Data • Inferences from PI Collected • Sensitive PI (i.e., Government-Issued Identification Numbers). 	<ul style="list-style-type: none"> • Vendors (e.g., shipment and delivery services, payment processors, fraud prevention and security providers, marketing services providers, analytics providers, customer service and support providers, and external auditors); • Solution Tool management vendor, if you opt-in to allow us to recommend products to you via the Solution Tool; • Other members of our corporate group; • Consultants; • Public authorities/governmental bodies (making requests pursuant to legal or regulatory process); • Other parties within the limits of Additional Business Purposes; and/or • Third-Party Digital Businesses

Processing Purpose(s)	Examples(s) of Processing Purpose	Categories of PI Implicated	Categories of Recipients
	<p><u>Customer Service</u>: to respond to any questions, comments, or requests you have for us or for other customer service purposes</p> <p><u>Payment and other purchase-related purposes</u>: to facilitate a purchase made using our services, including payment</p> <p><u>Managing Consultant Accounts</u>: To onboard and manage Consultants</p>		
Managing Interactions and Transactions	<p><u>Auditing</u>: related to counting ad impressions to unique visitors, verifying positioning and quality of ad impressions, and auditing compliance with user interaction or transaction specifications and standards (e.g., ecommerce activities)</p>	<ul style="list-style-type: none"> Identifiers Internet Usage Information 	<ul style="list-style-type: none"> Vendors (e.g., fraud prevention and security providers, marketing services providers, analytics providers, and customer service and support providers); Other members of our corporate group; Consultants; Other parties within the limits of Additional Business Purposes; and/or Third-Party Digital Businesses.
Security	<p><u>Security/fraud prevention</u>: to protect the security of Company, our services, or its users and to prevent and address fraud</p>	<ul style="list-style-type: none"> Identifiers Personal Records Customer Account Details/Commercial Information Internet Usage Information Sensory Data 	<ul style="list-style-type: none"> Vendors (e.g., fraud prevention and security providers) Other members of our corporate group; Public authorities / governmental bodies (making requests pursuant to legal or regulatory process); and/or Other parties within the limits of Additional Business Purposes); and/or Third-Party Digital Businesses
Debugging	<p><u>Repairs</u>: identify and repair errors that impair existing</p>	<ul style="list-style-type: none"> Identifiers 	<ul style="list-style-type: none"> Vendors (e.g., Service Providers that help identify

Processing Purpose(s)	Examples(s) of Processing Purpose	Categories of PI Implicated	Categories of Recipients
	intended functionality of our services	<ul style="list-style-type: none"> • Internet Usage Information • Sensory Data 	and repair errors on our services); • Other members of our corporate group; and/or • Other parties within the limits of Additional Business Purposes.
Advertising & Marketing (excluding Cross-Context Behavioral Advertising and Targeted Advertising)	<p><u>Content and offers customization</u>: to customize your experience on our websites apps, or other services, or to serve you specific content and offers that are relevant to/customized for you (e.g., pricing and discounts based on your profile, location, or shopping history)</p> <p><u>Advertising, marketing, and promotions</u>: to assist us in determining relevant advertising and the success of our advertising campaigns; to help us determine where to place our ads, including on other websites; for promotional activities such as running sweepstakes, contests, and other promotions.</p>	<ul style="list-style-type: none"> • Identifiers • Personal Records • Personal Characteristics or Traits • Customer Account Details/Commercial Information • Internet Usage Information • Geolocation Data • Inferences from PI Collected 	<ul style="list-style-type: none"> • Vendors (e.g., shipment and delivery services, payment processors, fraud prevention and security providers, marketing services providers, analytics providers, and customer service and support providers); • Selected marketing partners; • Other members of our corporate group; • Consultants; • Other parties within the limits of Additional Business Purposes; and/or • Third-Party Digital Businesses.
Quality Assurance	<p><u>Quality and Safety of Service</u>: undertaking activities to verify or maintain the quality or safety of our services, and to improve, upgrade, or enhance our services</p>	<ul style="list-style-type: none"> • Identifiers • Internet Usage Information • Sensory Data 	<ul style="list-style-type: none"> • Vendors (e.g., Service Providers that help improve the quality of our services) • Other members of our corporate group; and/or • Consultants; • Other parties within the limits of Additional Business Purposes.
Processing Interactions and Transactions	<p><u>Short-term, transient use</u>: including, but not limited to, non-personalized advertising shown as part of a Consumer's current interaction with Company and use of our services' features and functionality (e.g., e-commerce transactions)</p>	<ul style="list-style-type: none"> • Identifiers • Personal Records • Customer Account Details/Commercial Information • Internet Usage Information 	<ul style="list-style-type: none"> • Vendors (e.g., shipment and delivery services, payment processors, fraud prevention and security providers, marketing services providers, analytics providers, and customer service and support providers);

Processing Purpose(s)	Examples(s) of Processing Purpose	Categories of PI Implicated	Categories of Recipients
		<ul style="list-style-type: none"> • Geolocation Data • Inferences from PI Collected 	<ul style="list-style-type: none"> • Other members of our corporate group; and/or • Consultants • Other parties within the limits of Additional Business Purposes.
Research and Development	<p><u>Research and analytics</u>: to better understand how users access and use our services, both on an aggregated and individualized basis, to improve our services and respond to user preferences, and for other research and analytical purposes</p> <p><u>Market research and customer satisfaction surveys</u>: to administer surveys and questionnaires, such as for market research or customer satisfaction purposes</p>	<ul style="list-style-type: none"> • Identifiers • Personal Records • Personal Characteristics or Traits • Customer Account Details/Commercial Information • Internet Usage Information • Geolocation Data • Sensory Data • Inferences from PI Collected 	<ul style="list-style-type: none"> • Vendors (e.g., customer service and support provider); • Other members of our corporate group; • Public authorities / governmental bodies (making requests pursuant to legal or regulatory process); and/or • Other parties within the limits of Additional Business Purposes. • Third-Party Digital Businesses
Additional Business Purposes	<p><u>Compliance with legal obligations</u>: to comply with legal obligations, as part of our general business operations, and for other business administration purposes and in response to legal obligations or process</p> <p><u>Prevention of illegal activities, fraud, injury to others, or violation of our terms and policies</u>: to investigate, prevent or take action if someone may be using info for illegal activities, fraud, or in ways that may threaten someone's safety or violate of our terms or this Notice</p> <p><u>Purposes disclosed at PI collection</u>: We may provide additional disclosures at the time of PI collection, such as on a checkout page</p>	<ul style="list-style-type: none"> • Identifiers • Personal Records • Personal Characteristics or Traits • Customer Account Details/Commercial Information • Internet Usage Information • Geolocation Data • Sensory Data • Inferences from PI Collected • Government Issued Identification Numbers for B2B Consumers • Sensitive Personal Characteristics 	<ul style="list-style-type: none"> • Vendors (e.g., shipment and delivery services, payment processors, fraud prevention and security providers, marketing services providers, analytics providers, customer service and support providers); • Other members of our corporate group; • Consultants • Public authorities / governmental bodies (making requests pursuant to legal or regulatory process); and/or • Other parties within the limits of Additional Business Purposes.

Processing Purpose(s)	Examples(s) of Processing Purpose	Categories of PI Implicated	Categories of Recipients
	<u>Related or compatible purposes</u> : for purposes that are related to and/or compatible with any of the foregoing purposes		
Commercial Purposes	Cross-context Behavioral Advertising Targeted Advertising	<ul style="list-style-type: none"> • Identifiers • Internet Usage Information • Geolocation Data 	<ul style="list-style-type: none"> • Vendors (e.g., customer service and support providers, and external auditors); • Selected marketing partners; • Consultants; and/or • Third-Party Digital Businesses

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2. Your Consumer Rights and How to Exercise Them

As described more below, subject to meeting the requirements for a Verifiable Consumer Request (defined below), Rodan + Fields provides Consumers (including our California Consultants) the privacy rights described in this section where required by the law in the state in which they reside. For residents of states without Consumer privacy rights, we will consider requests but will apply our discretion with respect to and if and how we process such requests. We will also consider applying state law rights prior to the effective date of such laws, but will do so in our discretion.

To submit a request to exercise your Consumer privacy rights, or to submit a request as an authorized agent, use our [Consumer Rights Request Portal](#), or e-mail us at privacy@rodanandfields.com, and respond to any follow-up inquiries we make. Please be aware that we do not accept or process requests through other means (e.g., via fax, chats, social media etc.). More details on the request and verification process is in Section 3. The Consumer rights we accommodate are as follows:

(i) Right to Limit Sensitive PI Processing

We only Process Sensitive PI for purposes that are exempt from Consumer choice under U.S. Privacy Laws, such as, for example, to verify Consultant information in order to comply with applicable federal, state, and local law.

(ii) Right to Know / Access

Residents of California, Virginia, and Colorado are entitled to access PI up to twice in a 12-month period. Residents of Connecticut and Utah are entitled once every 12-month period to access PI maintained by Rodan + Fields, with subsequent requests subject to a service fee. You have a Right to Know (1) the categories (California residents only); and (2) specific pieces of Personal Information maintained by a Business about you.

(1) Right to Know (Categories): California residents have the right to send us a request, no more than twice in a twelve-month period, for any of the following for the period that is twelve months prior to the request date:

- The categories of PI we have Collected about you.
- The categories of sources from which we Collected your PI.
- The Business Purposes or Commercial Purposes for our Collecting, Selling, or Sharing your PI.
- The categories of Third Parties to whom we have disclosed your PI.
- A list of the categories of PI disclosed for a Business Purpose in the prior 12 months and, for each, the categories of recipients, or that no disclosure occurred.
- A list of the categories of PI Sold or Shared about you in the prior 12 months and, for each, the categories of recipients, or that no Sale or Share occurred.

(2) Right to Know (Specific Pieces): Consumers resident of California, Colorado, Connecticut, Virginia and Utah may request to confirm if we are Processing your PI and, if we are, to obtain a transportable copy, subject to applicable request limits, of your PI that we have collected and are maintaining. For your specific pieces of PI, as required by applicable U.S. Privacy Laws, we will apply the heightened verification standards as described below. We have no obligation to re-identify information or to keep PI longer than we need it or are required to by applicable law to comply with access requests.

(iii) Do Not Sell/Share/Target

Under the various U.S. Privacy Laws there are broad and differing concepts of “Selling” PI for which an opt-out is required. California also has an opt-out from “Sharing” for Cross-Context Behavioral Advertising (use of PI from different businesses or services to target advertisements). Other states have an opt-out of “Targeted Advertising” (defined differently but also addressing tracking, profiling, and targeting of advertisements).

Third-Party digital businesses (“Third-Party Digital Businesses”) may associate cookies and other tracking technologies that Collect PI about you on our services, or otherwise Collect and Process PI that we make available about you, including digital activity information. We understand that giving access to PI on our services, or otherwise, to Third-Party Digital Businesses could be deemed a Sale and/or Share under some state laws and thus we will treat such PI (e.g., cookie ID, IP address, and other online IDs and internet or other electronic activity information) collected by Third-Party Digital Businesses, where not limited to acting as our Service Provider (or Contractor or Processor), as a Sale and/or Share and subject to a Do Not Sell/Share/Target opt-out request. We will not Sell your PI, Share your PI for Cross-Context Behavioral Advertising, or Process your PI for Targeted Advertising if you make a Do Not Sell/Share/Target opt-out request.

Opt-out for non-cookie PI: If you want to limit our Processing of your non-cookie PI (e.g., your email address) for Targeted Advertising, or opt-out of the Sale/Sharing of such data, make an opt-out request [here](#).

Opt-out for cookie PI: If you want to limit our Processing of your cookie-related PI for Targeted Advertising or opt-out of the Sale/Sharing of such PI, you need to exercise a separate opt-out request on our cookie management tool here: [Your Privacy Choices](#), which is also accessible via our Your Privacy Choices footer link. This is because we have to use different technologies to apply your opt-out of cookie PI and to non-cookie PI. Our cookie management tool enables you to exercise such an opt-out request and enable certain cookie preferences on your device. You must exercise your preferences on each of our websites you visit, from each browser you use, and on each device that you use. Since your browser opt-out is designated by a cookie, if you clear or block cookies, your preferences will no longer be effective and you will need to enable them again via our cookie management tool. Beware that if you use ad blocking software, our Your Privacy Choices footer link may not appear when you visit our services and you may have to use the link above to access the tool.

Opt-Out Preference Signals (also known as Global Privacy Control or “GPC”). Some of the U.S. Privacy Laws require businesses to process GPC signals, which is referred to in California as opt-out preference signals (“OOPS”), which are signals sent by a platform, technology, or mechanism, enabled by individuals on their devices or browsers, that communicate the individual’s choice to opt-out of the Sale and Sharing of PI. To use an OOPS/GPC, you can download an internet browser or a plugin to use on your current internet browser and follow the settings to enable the OOPS/GPC. As of the Effective Date, the CCPA’s regulations, which are supposed to set forth requirements as to OOPS/GPC, have not yet been finalized. We will process OOPS/GPC as specifically required when the regulations are finalized. In the meantime, to our knowledge, we have configured the settings of our consent management platform to receive and process GPC signals on our website, which is explained by our consent management platform [here](#).

We do not knowingly Sell or Share the PI of Consumers under 16, unless we receive affirmative authorization (“opt-in”) from either the Consumer who is between 13 and 16 years old, or the parent or guardian of a Consumer who is less than 13 years old. If you think we may have unknowingly collected PI of a Consumer under 16 years old, please [Contact Us](#).

We may disclose your PI for the following purposes, which are not a Sale or Share: (i) if you direct us to disclose PI; (ii) to comply with a Consumer rights request you submit to us; (iii) disclosures amongst the entities that constitute Company as defined above, or as part of a Corporate Transaction; and (iv) as otherwise required or permitted by applicable law.

We may disclose your Personal Information for the following purposes, which are not a sale: (i) if you direct us to share Personal Information; (ii) to comply with your requests under the CCPA; (iii) disclosures amongst the entities that constitute Company as defined above, or as part of a merger or asset sale; and (iv) as otherwise required or permitted by applicable law.

(iv) Right to Delete

Except to the extent we have a basis for retention under applicable law, Consumers resident of California, Colorado, Connecticut, Virginia and Utah may request that we delete your PI. Our retention rights include, without limitation:

- to complete transactions and services you have requested;
- for security purposes;
- for legitimate internal Business Purposes (e.g., maintaining business records);
- to comply with law and to cooperate with law enforcement; and
- to exercise or defend legal claims.

Please also be aware that making a deletion request does not ensure complete or comprehensive removal or deletion of PI or content you may have posted.

Note also that, depending on where you reside (e.g., California and Utah), we may not be required to delete your PI that we did not Collect directly from you.

(v) Correct Your PI

Correct Your PI: Consumers may bring inaccuracies they find in their PI that we maintain to our attention and we will act upon such a complaint as required by applicable law. You can also make changes to your online account in the account settings section of the account. That will not, however, change your information that exists in other places.

(vi) Automated Decision Making / Profiling

We do not engage in Automated Decision Making or Profiling.

(vii) How to Exercise Your Consumer Privacy Rights

To submit a request to exercise your Consumer privacy rights, or to submit a request as an authorized agent, please follow the instructions at our [Consumer Rights Request Portal](#), or email us at privacy@rodanandfields.com, and respond to any follow up inquiries we make. Please be aware that we do not accept or process requests through other means (e.g., via fax, chats, social media, etc.).

(1) Your Request Must be a Verifiable Consumer Request

As permitted or required by applicable U.S. Privacy Laws, any request you submit to us be a Verifiable Consumer Request, meaning when you make a request, we may ask you to provide verifying information, such as your name, e-mail, phone number and/or account information. We will review the information provided and may request additional information (e.g., transaction history) via e-mail or other means to ensure we are interacting with the correct individual.

We will not fulfill your Right to Know (Categories), Right to Know (Specific Pieces), Right to Delete, or Right to Correction request unless you have provided sufficient information for us to reasonably verify you are the Consumer about whom we collected PI. We do not verify opt-outs of Sell/Share/Target or Limitation of Sensitive PI requests unless we suspect fraud.

You are not required to create a password-protected account with us to make a Verifiable Consumer Request. If we suspect fraudulent or malicious activity on or from the password-protected account, we may decline a request or request that you provide further verifying information.

We verify each request as follows:

- Right to Know (Categories): If you do not have a password-protected account, we verify your request to Know Categories of PI to a reasonable degree of certainty, which may include matching at least two data points provided by you with data points maintained by us, which we have determined to be reliable for the purpose of verifying you. If we cannot do so, we will refer you to this Notice for a general description of your data practices.
- Right to Know (Specific Pieces): If you do not have a password-protected account, we verify your Request to Know Specific Pieces of PI to a reasonably high degree of certainty, which may include matching at least three data points provided by you with data points maintained by us, which we have determined to be reliable for the purpose of verifying you. If you fail to provide requested information, we will be unable to verify you sufficiently to honor your request, but we will then treat it as a Right to Know (Categories) request if you are a California resident.
- Do Not Sell/Share/Target & Limit SPI: No specific verification required unless we suspect fraud.
- Right to Delete: If you do not have a password-protected account, we verify your Request to Delete to a reasonable degree of certainty, which may include matching at least two data points provided by you with data points maintained by us, or to a reasonably high degree of certainty, which may include matching at least three data points provided by you with data points maintained by us, depending on the sensitivity of the PI and the risk of harm to the Consumer posed by unauthorized deletion. If we cannot verify you sufficiently to honor a deletion request, you can still make a Do Not Sell/Share/Target and/or Limit SPI request.
- Correction: If you do not have a password-protected account, we verify your Request to Correct PI to a reasonable degree of certainty, which may include matching at least two data points provided by you with data points maintained by us, or to a reasonably high degree of certainty, which may include matching at least three data points provided by you with data points maintained by us, depending on the sensitivity of the PI and the risk of harm to the Consumer posed by unauthorized correction.

To protect Consumers, if we are unable to verify you sufficiently, we will be unable to honor your request. We will use PI provided in a Verifiable Consumer Request only to verify your identity or authority to make the request and to track and document request responses, unless you also gave it to us for another purpose.

(2) Agent Requests

You may use an authorized agent to make a request for you, subject to our verification of the agent, the agent's authority to submit requests on your behalf, and of you. You can learn how to do this by visiting the agent section of our [Consumer Rights Request Portal](#). Once your agent's authority is confirmed, they may exercise rights on your behalf subject to the agency requirements of applicable U.S. Privacy Laws.

(3) Appeals

Residents of Virginia, Colorado, and Connecticut may appeal Company's decision regarding a request as will be described in our response to your request.

(viii) Our Responses

Some PI we maintain is insufficiently specific for us to be able to associate it with a verified Consumer (e.g., clickstream data tied only to a pseudonymous browser ID). We do not include that PI in responses to Consumer privacy rights requests. If we deny a request, we will explain the reasons in our response.

We will make commercially reasonable efforts to identify Consumer PI that we Process to respond to your Consumer request(s). In some cases, particularly with voluminous and/or typically irrelevant data, we may suggest that you receive the most recent or a summary of your PI and give you the opportunity to elect whether you want the rest. We reserve the right to direct you to where you may access and copy responsive PI yourself. We will typically not charge a fee to fully respond to your requests; provided, however, that we may charge a reasonable fee, or refuse to act upon a request, if your request is excessive, repetitive, unfounded or overly burdensome. If we determine that the request warrants a fee, or that we may refuse it, we will give you notice explaining why we made that decision. You will be provided a cost estimate and the opportunity to accept such fees before we will charge you for responding to your request.

Consistent with applicable U.S. Privacy Laws and our interest in the security of your PI, we will not deliver to you certain sensitive data (e.g., Social Security number, driver's license number, or other government-issued ID number, credit card number or other financial account number, an account password, security questions or answers) in response to a Consumer privacy rights request; however, you may be able to access some of this information yourself through your account if you have an active account with us.

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3. Non-Discrimination

We will not discriminate against you in a manner prohibited by applicable U.S. Privacy Laws for your exercise of your Consumer privacy rights. We may charge a different price or rate, or offer a different level or quality of good or service, to the extent that doing so is reasonably related to the value of the applicable PI.

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4. Notice of Financial Incentive Programs

We may offer discounts or other rewards ("Incentives") from time-to-time to customers that provide us with Personal Information, such as your name, phone number, email address, IP address and location. You may opt-in to incentives by subscribing to our [Perks Program](#) or other loyalty and Incentive programs we may offer from time-to-time ("Program(s)"). Each Program may have additional terms, available on the Program page, at Program sign-up, or on the [Promotional Terms and Conditions](#) page. We measure the value your PI collected in Programs by the cost of operating the applicable Program (excluding Incentive costs) and/or the cost of providing the Incentive. We deem the value of the PI to be reasonably related to the value of the Incentive, and by subscribing to these Programs you indicate you agree. If you do not, do not subscribe to the Programs. If you subsequently wish to withdraw from the Programs, the method for doing so will be explained in the Program terms. We do not limit Program participation to consumers that do not exercise their CCPA rights. However, a deletion request will not delete Program PI because it's necessary to maintain your participation in the Program. If you desire to delete Program PI, terminate your participation in the Program before making a CCPA deletion request.

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5. Our Rights and Rights of Others

Notwithstanding anything to the contrary, we may collect, use and disclose your PI as required or permitted by applicable law and this may override your rights under U.S. Privacy Laws. In addition, we are not required to honor your requests to the extent that doing so would infringe upon our or another person's or party's rights or conflict with applicable law.

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6. Additional California Notice for California Residents

In addition to the CCPA, certain Californians are entitled to certain other notices. Accordingly, this Notice provides information on our online practices and your California rights specific to our online services. Without limitation, Californians that visit our online services and seek to acquire goods, services, money or credit for personal, family or household purposes are entitled to the following notices of their rights:

a. California Minors

Although our online service(s) are intended for an audience that has reached the age of majority, any California residents under the age of eighteen (18) who have registered to use our online services, and who posted content or information on the service, can request removal by [contacting us](#), detailing where the content or information is posted and attesting that you posted it. We will then make reasonably good faith efforts to remove the post from prospective public view or anonymize it, so the minor cannot be individually identified to the extent required by applicable law. This removal process cannot ensure complete or comprehensive removal. For instance, third parties may have republished or archived content by search engines and others that we do not control.

b. Shine the Light

California residents may request a list of all third parties to which we have disclosed certain personal information (as defined by California's Shine the Light law), collected via our online service, during the preceding year, for those third parties' own direct marketing purposes, without your consent or direction. We do not do so.

When you choose a Consultant, you direct us to provide your personal information to the Consultant. If you want to confirm this you may contact us at privacy@rodanandfields.com or at RODAN + FIELDS HEADQUARTERS, 60 Spear Street, Suite 600, San Francisco, CA 94105 and put the statement “Shine the Light Request” in the body of your request. In your request, please attest to the fact that you are a California resident and provide a current California address for your response. Please note that we will not accept Shine the Light requests via telephone or by facsimile, and we are not responsible for notices that are not labeled or sent properly, or that do not have complete information.

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CONTACT US

If you have any questions, comments, concerns, or complaints about the Site's privacy practices, please contact us by e-mail at privacy@rodanandfields.com or [visit the Contact Us page](#) of our website. Please note that e-mail communications will not necessarily be secure; accordingly, you should not include credit card information or other sensitive information in your e-mail correspondence with us.

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Let's Get Social



ABOUT R+F +

HELP +

DISCLAIMERS +

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EXHIBIT H



TERMS & CONDITIONS

Welcome to Rodan + Fields®. We hope that you enjoy your visit and find that using our **website** to learn about Rodan + Fields, our skincare products, and our direct selling program is easy, productive and fun.

Before using or registering with the Rodan + Fields® **website**, please read the following Terms and Conditions ("Terms") carefully. These Terms govern your access to and use of the Rodan + Fields Online **website** and any products, services, software, tools, applications, features or functionality offered or made available on or through the **website**, including any Rodan + Fields Independent Consultant personal **web** pages provided through the **website**, (the "Site"). Your access to and use of the Sites is expressly conditioned on your acceptance of and compliance with these Terms. By accessing and using our Sites, you expressly consent to these Terms and any violation of these Terms may result in termination of your ability to access and use the Site.

AS DISCUSSED FURTHER BELOW IN SECTION 3, YOU AGREE TO SUBMIT ALL DISPUTES CONCERNING THIS AGREEMENT, YOUR USE OF THE SITE, AND ANY PRODUCTS OR SERVICES YOU PURCHASE FROM RODAN + FIELDS TO CONFIDENTIAL, BINDING INDIVIDUAL ARBITRATION EXCEPT AS PROVIDED BELOW (HEREINAFTER REFERRED TO AS THE "ARBITRATION AGREEMENT"). BY AGREEING TO THE ARBITRATION AGREEMENT, YOU ARE (1) WAIVING YOUR RIGHT TO PURSUE RELIEF IN A COURT OF LAW AND TO HAVE A JURY TRIAL ON YOUR CLAIMS, AND (2) ARE ONLY PERMITTED TO PURSUE CLAIMS AND SEEK RELIEF AGAINST RODAN + FIELDS ON AN INDIVIDUAL BASIS, NOT AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION OR PROCEEDING. THE ARBITRATION AGREEMENT COVERS ALL DISPUTES, INCLUDING BUT NOT LIMITED TO PRODUCT LIABILITY CLAIMS. THE ARBITRATION CLAUSE DOES NOT APPLY TO CLAIMS THAT CAN BE BROUGHT IN SMALL CLAIMS COURT AND INTELLECTUAL PROPERTY CLAIMS.

In order to use the Site, you must be at least 13 years of age. You represent that you are at least 13 years old. If you are not at least 13 years of age, please do not access, use or register with the Site.

We reserve the right at any time to change all or any part of these Terms; change the Site, including by eliminating or discontinuing any content on or feature of the Site; and change any fees or charges for use of the Site. Any changes we make will be effective immediately upon notice, which we may provide by any means including, without limitation, posting on the Site or by electronic mail. Your continued use of the Site after such notice will be deemed acceptance of such changes. Be sure to return to this page periodically to ensure familiarity with the most current version of these Terms.

If you are a Rodan + Fields Independent Consultant, your access to and use of the Site (including your personal **web** page, if any) is also governed by the terms and conditions of your Consultant Agreement, including the Rodan + Fields Policies and Procedures.

As used in these Terms, "we," "our," "us" and "Rodan + Fields" refers to Rodan & Fields, LLC, including its subsidiaries and affiliates.

1. Registration or Guest Checkout

When and if you set up an account with us and register to place orders through the Site or opt to place orders using the guest checkout option on the Site, you agree to (a) provide accurate, current and complete information about yourself as prompted by our forms (including your email address), and (b) maintain and update your information (including your email address) to keep it accurate, current and complete. You acknowledge that, if any information provided by you is untrue, inaccurate, not current or incomplete, we reserve the right to terminate your access to and use of the Site. Our use and disclosure of any such information that you provide is governed by our [Privacy Policy](#).

As part of the account set-up and registration process, you may be asked to select a username and password. We may refuse to grant you a username for any reason in our sole discretion, including in the event that we determine that such username impersonates someone else, is illegal, vulgar, or otherwise offensive, or is protected by trademark or other proprietary rights law, or otherwise may cause confusion. You will be responsible for the confidentiality and use of your username and password and agree not to transfer or resell your use of or access to the Site to any third party. YOU ARE ENTIRELY RESPONSIBLE FOR MAINTAINING THE CONFIDENTIALITY OF YOUR USERNAME AND PASSWORD AND FOR ANY AND ALL ACTIVITIES (INCLUDING PURCHASES, AS APPLICABLE) THAT ARE CONDUCTED THROUGH YOUR ACCOUNT.

2. Your Use of the Site

Subject to and conditioned upon your compliance with these Terms, we grant to you a non-exclusive, non-transferable, non-sublicensable, limited right and license to access and use the Site, including any images, text, graphics, sounds, data, links and other materials incorporated into the Site (other than your Submissions, as defined in Section 4 below), solely as made available by us and solely for your own personal purposes. The Site, including all such materials and all intellectual property rights therein, remain the property of Rodan + Fields or its licensors or suppliers. Except as expressly authorized by these Terms, you may not use, reproduce, distribute, modify, transmit or publicly display any portion of the Site without the written consent of Rodan + Fields. While using the Site, you agree not to:

- Defame, abuse, harass, stalk, threaten or otherwise violate the rights of others, including without limitation others' privacy rights or rights of publicity;
- Impersonate any person or entity, falsely state or otherwise misrepresent your affiliation with any person or entity, or use any fraudulent, misleading or inaccurate email

address or other contact information;

- Restrict or inhibit any other user from using the Site, including, without limitation, by means of "hacking" or defacing any portion of the Site;
- Violate any applicable laws or regulations;
- Express or imply that any statements you make are endorsed by us, without our prior written consent;
- Upload to, transmit through, or display on the Site (a) any material that is unlawful, fraudulent, threatening, abusive, libelous, defamatory, obscene or otherwise objectionable, or infringes our or any third party' intellectual property or other rights; (b) any confidential, proprietary or trade secret information of any third party; or (c) any advertisements, solicitations, chain letters, pyramid schemes, investment opportunities or other unsolicited commercial communication (except as otherwise expressly permitted by us);
- Engage in spamming or flooding;
- Transmit any software or other materials that contain any viruses, worms, trojan horses, defects, date bombs, time bombs or other items of a destructive nature;
- Modify, adapt, sublicense, translate, sell, reverse engineer, decompile or disassemble any portion of the Site;
- Remove any copyright, trademark or other proprietary rights notices contained in or displayed on any portion of the Site;
- "Frame" or "mirror" any portion of the Site, or link to any page of or material on the Site other than the URL located at [/](#) or the URLs provided by us to you for such purposes as part of the Site, without our prior written authorization;
- Use any robot, spider, site search/retrieval application or other manual or automatic device or process to retrieve, index, "data mine" or in any way reproduce or circumvent the navigational structure or presentation of the Site; or
- Harvest or collect information about users of the Site without their express consent.

We may terminate your access to and use of the Site immediately if you fail to comply with the above rules.

3. ARBITRATION AGREEMENT AND DISPUTE RESOLUTION PROCESS

PLEASE READ THE FOLLOWING SECTION CAREFULLY. IT REQUIRES YOU TO ARBITRATE DISPUTES, WITH LIMITED EXCEPTIONS, WITH RODAN + FIELDS, AND LIMITS THE MANNER IN WHICH YOU CAN SEEK RELIEF. SECTION 3 OF THIS AGREEMENT SHALL BE REFERRED TO AS THE "ARBITRATION AGREEMENT", AS NOTED ABOVE.

EXCEPT AS PROVIDED BELOW, THIS SECTION LIMITS CERTAIN RIGHTS THAT WILL NOT BE AVAILABLE IN ARBITRATION, INCLUDING: THE RIGHT TO MAINTAIN A COURT ACTION; THE RIGHT TO HAVE JUDICIAL APPELLATE REVIEW OF THE ARBITRATOR'S FINDINGS; THE RIGHT TO A JURY TRIAL; AND THE RIGHT TO PARTICIPATE IN ANY FORM OF CLASS OR REPRESENTATIVE CLAIM.

Scope of Arbitration Agreement. To the fullest extent permitted by applicable law, you and Rodan + Fields agree that any dispute or claim arising out of or relating in any way to these Terms, your visit to the Site, our Products (including but not limited to product liability actions), or any purchase, return or other transaction with Rodan + Fields or our Consultants, affiliates, or vendors (each, a "Claim") shall be resolved through binding arbitration rather than in court, except as provided below.

Limitations of Arbitration. There is no judge or jury in arbitration, and court review of an arbitration award is limited. An arbitrator can award temporary, interim or permanent injunctive relief or relief providing for specific performance of this Agreement, but only to the extent necessary to provide relief warranted by the individual claim before the arbitrator. The award rendered by the arbitrator may be confirmed and enforced in any court having jurisdiction thereof. The Federal Arbitration Act and federal arbitration law apply to these Terms.

Small Claims Court. In lieu of arbitration, either you or Rodan + Fields may assert individual claims in small claims court consistent with the jurisdictional and dollar limits that may apply, so long as the matter remains in such court and advances only on an individual basis, non-class, non-representative basis.

Intellectual Property Claims. Notwithstanding the other provisions in this Section 3, if Rodan + Fields has a reasonable basis to believe that you have in any manner violated or threatened to violate any of Rodan + Fields's intellectual property rights, Rodan + Fields may bring suit in any state or federal court in the state of California, rather than through arbitration. You agree that you will submit to the jurisdiction of the state and federal courts in the state of California.

Initiating Arbitration. Any party who intends to seek arbitration must first provide to the other party a written notice of the Claim ("Notice"), describing the facts and circumstances of the Claim and the specific relief sought, and including any supporting documentation. The Notice must be mailed via certified or registered mail to: ATTN: Legal Department, Rodan + Fields at 3001 Bishop Dr #450, San Ramon, CA 94583 or to you at your last-used billing address or the billing and/or shipping address in your online profile. If we are unable to reach an agreement to resolve the claim within 60 days after the Notice is received, either party may commence arbitration.

Notice of any Claim must be provided within one year after the Claim arises, or it shall be barred forever, to the fullest extent permitted by applicable law.

Procedures. The arbitration will proceed in the English language, in accordance with either the American Arbitration Association's ("AAA") Consumer Arbitration Rules or the Commercial Arbitration Rules and Mediation Procedures, depending on the nature of the dispute, and as amended by these Terms. You may choose to have the arbitration conducted by telephone, based on written submissions, in person in the county where you live, or at another mutually agreed location.

Class Action Waiver. To the fullest extent permitted by applicable law, you and Rodan + Fields agree that ANY CLAIM RESOLUTION PROCEEDING WILL BE CONDUCTED ONLY ON AN INDIVIDUAL BASIS; CLASS ARBITRATIONS, CLASS ACTIONS, AND ANY OTHER CONSOLIDATED, COLLECTIVE, OR REPRESENTATIVE ACTIONS ARE NOT PERMITTED AND YOU AGREE TO GIVE UP THE ABILITY TO PARTICIPATE IN ANY SUCH ACTION. To the fullest extent permitted by applicable law, you agree that you will not be a member of any putative or actual class in a class action brought by anyone else, nor will you seek to become a class representative. Unless we both agree in writing, the arbitrator may not consolidate the claims of other persons with yours, or ours, and may not otherwise preside over any form of a representative, multi-claimant or class arbitration proceeding.

Authority of the Arbitrator. Notwithstanding anything to the contrary in this Arbitration Agreement or any other provision of these Terms or in the American Arbitration Association's Consumer Arbitration Rules, disputes regarding the enforceability, revocability, or validity of the foregoing class action waiver may be resolved only by a civil court of competent jurisdiction and not by an arbitrator. In any case in which (i) the dispute is filed as a class, collective, or representative action, and (ii) there is a final judicial determination that all or part of such class action waiver is unenforceable, then the class, collective, and/or representative action, to that extent, must be litigated in a civil court of competent jurisdiction, but the portion of such class action waiver that is enforceable shall be enforced in arbitration.

Batch Arbitrations. To increase efficiency of resolution, in the event 10 or more similar arbitration demands against Rodan + Fields, presented by or with the assistance of the same law firm or organization, are submitted to an arbitration provider selected in accordance with the rules described above within a 30-day period, the arbitration provider shall (i) group the arbitration demands into batches of no more than 10 demands per batch (plus, to the extent there are less than 10 arbitration demands left over after the batching described above, a final batch consisting of the remaining demands); and (ii) provide for resolution of each batch as a single arbitration with one set of filing and administrative fees and one arbitrator assigned per batch. You agree to cooperate in good faith with Rodan + Fields and the arbitration provider to implement such a batch approach, or an approach similar to the batch approach described above, including but not limited to procedures, costs, and fees. This batch approach will not apply for product liability claims.

Confidentiality. All aspects of the arbitration proceeding, including without limitation the award of the arbitrator and compliance therewith, will be strictly confidential. The parties agree to maintain confidentiality unless otherwise required by law. This paragraph will not prevent a party from submitting to a court of law any information necessary to enforce this Section, to enforce an arbitration award, or to seek injunctive or equitable relief.

Survival After Termination. This Section 3 will survive after the Terms terminate or your use of the Site ends. If any portion of this Section is found to be void or unenforceable as to a particular Claim, then that Claim (and only that Claim) shall be resolved in federal court rather than in arbitration; if there is no federal jurisdiction, the case shall be resolved in state court in California.

4. Your Submissions

In the event that you post or upload to the Site, or otherwise submit to Rodan + Fields as part of your use of the Site, any materials including, without limitation, photographs and other images, text, graphics, sounds, data, links and other materials (collectively, "Submissions"), you will retain ownership of such Submissions, and you hereby grant us and our designees a worldwide, non-exclusive, sublicensable (through multiple tiers), assignable, royalty-free, fully paid-up, perpetual, irrevocable right to use, reproduce, distribute (through multiple tiers), create derivative works of, and publicly display and perform such Submissions, in connection with the Site. Except for the foregoing license, we do not claim ownership of any copyright in your Submissions. **You represent, warrant and covenant that you own or otherwise possess all necessary rights with respect to your Submissions, and that your Submissions do not and will not infringe, misappropriate, use or disclose without authorization, or otherwise violate any intellectual property or proprietary right of any third party, and are not unlawful, fraudulent, threatening, abusive, libelous, defamatory, obscene or otherwise objectionable.**

None of the Submissions will be subject to any obligation, whether of confidentiality, attribution or otherwise, on our part and we will not be liable for any use or disclosure of any Submissions. You acknowledge and agree that we may (but are not obligated to) do any or all of the following, at our discretion: (a) monitor and/or filter any Submissions (including without limitation by means of blocking or replacing expletives or other language that may be deemed harmful or offensive); (b) alter, remove, or refuse to send, transmit or otherwise use any Submission (including, without limitation, by suspending the processing and shipping of any order relating to any Submission); and/or (c) disclose any Submissions, and the circumstances surrounding the transmission or use thereof, to any third party in order to operate the Site; to protect our affiliates, distributors, partners, licensors, advertisers, sponsors, and users; to comply with legal obligations or governmental requests; to enforce these Terms; or for any other reason or purpose.

We recommend that you keep back-up copies of your Submissions on your hard drive or other personal system, as the Site is not intended to be used as a back-up solution for storing your Submissions.

5. Forums

The Site may permit users to share their Submissions with other users, including through our user forums ("Forums"). Some Forum participants may use anonymous screen names and may have no other connection with Rodan + Fields. A large volume of material is available in our Forums and Forum participants may occasionally post messages or make statements, whether intentionally or unintentionally, that are inaccurate, misleading or deceptive. We neither endorse nor are responsible for such messages or statements, or for any opinion, advice, information or other utterance made or displayed on the Site by third parties, whether such third parties are users of the Site or others. The opinions expressed in the Forums reflect solely the opinions of the participants and may not reflect the opinions of Rodan + Fields. We are not responsible for any errors or omissions in articles or postings, for hyperlinks embedded in messages or for any results obtained from the use of such information. Under no circumstances will we or our affiliates, suppliers or agents be liable for any loss or damage caused by your reliance on such information obtained through the Site. We may, but have no obligation to, monitor the Forums and any materials displayed, transmitted or otherwise made available on or through the Forums.

6. Making Purchases

If you wish to purchase any products or services through the Site, we will ask you to supply certain information applicable to your purchase, including, without limitation, payment and other information. Any such information will be treated as described in our [Privacy Policy](#). All information that you provide to us or our third party payment processor must be accurate, current and complete. You agree to pay all charges incurred by you or any users of your account and credit card (or other applicable payment mechanism) at the prices in effect when such charges are incurred. You will also be responsible for paying any applicable taxes relating to your purchases. Verification of information applicable to a purchase may be required prior to our acceptance of any order. Price and availability of any products or services are subject to change without notice, and our current prices can be found on the Site. Title and risk of loss for any purchases pass to you upon our delivery to our carrier. We reserve the right to ship partial orders (at no additional cost to you), and the portion of any order that is partially shipped may be charged at the time of shipment. All purchases of Rodan + Fields skincare products through the Site by customers are subject to our Customer Satisfaction Guarantee, which can be viewed at our [Satisfaction](#)

Guarantee. If you are a Rodan + Fields Independent Consultant, the terms of your Consultant Agreement, including the Rodan + Fields Policies and Procedures, also apply to your purchases through the Site.

7. Product Information

All material and information presented by Rodan + Fields is intended to be used for personal educational or informational purposes only. The statements made about products have not been evaluated by the U.S Food and Drug Administration and the results reported, if any, may not necessarily occur in all individuals. The statements and products are not intended to diagnose, treat, cure or prevent any condition or disease. All products should be used strictly in accordance with their instructions, precautions and guidelines. You should always check the ingredients for products to avoid potential allergic reactions. Use of the Site is not meant to serve as a substitute for professional medical advice: this Site is solely an online store for specialty beauty products. Please consult with your own physician or health care practitioner regarding the use of any goods, products or information received from the Site before using or relying on them. Your physician or health care practitioner should address any and all medical questions, concerns and decisions regarding the possible treatment of any medical condition. Rodan + Fields does not give or intend to give any answers to medical related questions and this Site does not replace any medical professional or medical resource. Rodan + Fields does not represent itself as a physician nor is this implied. No prescription medications or medical treatments are intentionally provided on the Site. IF YOU ARE IN NEED OF MEDICAL ATTENTION, CALL 911 OR YOUR PHYSICIAN IMMEDIATELY.

8. Copyright Issues

Rodan + Fields is committed to protecting copyrights and expects users of the Site to do the same. The Digital Millennium Copyright Act of 1998 (the "DMCA") provides recourse for copyright owners who believe that material appearing on the Internet infringes their rights under U.S. copyright law. If you believe in good faith that any material used or displayed on or through the Site infringes your copyright, you (or your agent) may send us a notice requesting that the material be removed, or access to it blocked. The notice must include the following information: (a) a physical or electronic signature of a person authorized to act on behalf of the owner of an exclusive right that is allegedly infringed; (b) identification of the copyrighted work claimed to have been infringed (or if multiple copyrighted works are covered by a single notification, a representative list of such works); (c) identification of the material that is claimed to be infringing or the subject of infringing activity, and information reasonably sufficient to allow us to locate the material on the Site; (d) the name, address, telephone number and email address (if available) of the complaining party; (e) a statement that the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent or the law; and (f) a statement that the information in the notification is accurate and, under penalty of perjury, that the complaining party is authorized to act on behalf of the owner of an exclusive right that is allegedly infringed. If you believe in good faith that a notice of copyright infringement has been wrongly filed against you, the DMCA permits you to send us a counter-notice. Notices and counter-notices must meet the then-current statutory requirements imposed by the DMCA; see <http://www.copyright.gov/> for details. DMCA notices and counter-notices regarding the Site should be sent to:

Rodan + Fields, LLC
ATTN: Copyright Protection
60 Spear Street, Suite 600
San Francisco, CA 94105
Fax: 415-273-8036

Email:

copyright@rodanandfields.com

9. Web Addresses (URLs)

As part of the personal **web**page program that Rodan + Fields offers to its Independent Consultants, we may provide you with access to and use of certain personalized pages on the Site and the corresponding **web** addresses (URLs) chosen by you. However, we do not guarantee the availability of any particular **web** page or URL, and we reserve the right, at any time and in our sole discretion, to reclaim, suspend, terminate and/or transfer any such **web** page or URL as described in the Consultant Agreement.

10. Term and Termination

These terms shall remain effective until terminated as set forth herein. We may immediately terminate these Terms, and/or your access to and use of the Site or any portion thereof, at any time and for any reason, with or without cause, upon notice to you. Upon termination of these Terms, you will cease all use of the Site. If you are a Rodan + Fields Independent Consultant, you may have different or additional rights and obligations with respect to use of the Site as set forth in your Consultant Agreement. Except for the license to access and use the Site granted to you in Section 2, the rights and obligations of the parties as set forth herein will survive termination.

11. Third-Party Websites, Software and Sites

The Site may direct you to **websites** operated by third parties and/or products and services offered by third parties, including the RF Mall ("Third Party Properties"). We have not reviewed all of the Third Party Properties to which you may be directed and we have no control over such Third Party Properties. We are not responsible for (a) the content and operation of such Third Party Properties, or (b) the privacy or other practices of such Third Party Properties. The fact that the Site directs you to such Third Party Properties does not indicate any approval or endorsement of any Third Party Properties. We direct you to such Third Party Properties only as a convenience. You are responsible for the costs associated with such Third Party Properties, including any applicable license fees and service charges. Accordingly, we encourage you to become familiar with the terms of use and practices of any such Third Party Properties.

12. Mobile Services

If you access the Site via your mobile phone (through an iPhone application, for example), we do not currently charge for this access. Please be aware that your carrier's normal rates and fees, such as text messaging fees or data charges, will still apply.

13. Access By Minors

Pursuant to 47 U.S.C. Section 230 (d), as amended, we hereby notify you that parental control protections (such as computer hardware, software or filtering services) are commercially available that may assist you in limiting access to material that is harmful to minors.

14. Notice for California Users

Under California Civil Code Section 1789.3, California users of the Site are entitled to the following specific consumer rights notice: The Complaint Assistance Unit of the Division of Consumer Services of the California Department of Consumer Affairs may be contacted in writing at 1625 North Market Blvd., Suite N 112, Sacramento, California 95834, or by telephone at (916) 445-1254 or (800) 952-5210.

15. Indemnification

You agree to indemnify, defend and hold us, our affiliates, distributors, partners, licensors, advertisers and sponsors, and our and their directors, officers, employees, consultants, agents and other representatives, harmless from and against any and all claims, damages, losses, costs (including reasonable attorneys' fees—except where prohibited by law) and other expenses that arise directly or indirectly out of or from (a) your breach of these Terms, including any violation of the rules set forth in Section 2 above; (b) your Submissions; and/or (c) your activities in connection with the Site.

16. Disclaimer of Warranties

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18. Exclusions and Limitations

SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES OR THE EXCLUSIONS OF CERTAIN LIABILITY LIMITATIONS. ACCORDINGLY, SOME OF THE ABOVE LIMITATIONS OF SECTIONS 15 (INDEMNITY), 16 (DISCLAIMER OF WARRANTIES) AND 17 (LIMITATION OF LIABILITY) MAY NOT APPLY TO YOU. IN PARTICULAR, IF YOU ARE A RESIDENT OF NEW JERSEY, SECTIONS 15, 16 AND 17 OF THESE TERMS AND CONDITIONS SHALL NOT APPLY TO YOU, NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN OR IN ANY LINKED, INCORPORATED OR OTHERWISE REFERENCED DOCUMENT, POLICY OR TERMS AND CONDITIONS.

19. Fraud Protection Program

As part of our order processing procedures, we screen all received orders for fraud or other types of unauthorized or illegal activity. We reserve the right to refuse to process an order due to suspected fraud or unauthorized or illegal activity. If such is the case, we may reject your order or our Sales Support department may call you at the phone number you provided (or use your email address) to confirm your order. We also reserve the right to cancel any accounts or refuse to ship to certain addresses due to suspected fraud or unauthorized illegal activity. We take these measures to protect our customers as well as ourselves from fraud or other unauthorized or illegal activity.

20. Policy for Idea Submission

Many of our customers are interested in submitting ideas and suggestions for products and services to be used at Rodan + Fields, either independently of, or in conjunction with, our internally developed concepts. We appreciate our customers' interest in improving the Site and our products; however, please note that any such ideas or suggestions that you submit will be owned by Rodan + Fields, and you hereby irrevocably assign any intellectual property rights in such ideas and suggestions to Rodan + Fields. In the event that the foregoing assignment is held to be ineffective for any reason, your ideas and suggestions will be treated as Submissions, subject to the license granted to Rodan + Fields in Section 4 of these Terms. If you intend to retain any intellectual property rights in your ideas and suggestions (patent, trade secrets, copyright, trademark, etc.) please do not submit them to us without our prior written approval. You can inquire regarding such approval by sending a message to salesupport@rodanandfields.com. If we are interested in pursuing any idea or suggestion of yours, we will contact you. Please note that an additional legal agreement may be required by Rodan + Fields in order to evaluate your idea or suggestion.

21. Miscellaneous

These Terms are governed by and construed in accordance with the laws of the State of California, United States of America, without regards to its principles of conflicts of law. You agree to submit to the exclusive jurisdiction of any State or Federal court located in the County of San Francisco, California, United States of America, and waive any jurisdictional, venue or inconvenient forum objections to such courts. If any provision of these Terms, or the application thereof to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, such provision shall be enforced to the maximum extent possible, or, if incapable of such enforcement, shall be deemed to be deleted from these Terms, and the remainder of these Terms and such provisions as applied to other persons, places and circumstances shall remain in full force and effect. No waiver by either party of any breach or default hereunder shall be deemed to be a waiver of any preceding or subsequent breach or default, nor shall any delay or omission on the part of either party to exercise or avail itself of any right or remedy that it has or may have hereunder operate as a waiver of any right or remedy. This is the entire agreement between us relating to the subject matter herein and supersedes any and all prior or contemporaneous written or oral agreements between us with respect to such subject matter. These Terms are not assignable, transferable or sublicensable by you except with our prior written consent. These Terms may not be modified or amended except as set forth in the introductory section of these Terms. Any heading, caption or section title contained in these Terms is inserted only as a matter of convenience and in no way defines or explains any section or provision hereof.

If you have any questions or comments regarding these Terms, please [Contact Us](#).

Updated 8/3/2021

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EXHIBIT I

RODAN+FIELDS



Compensation Plan Overview

RODAN+FIELDS
US 2023



How Our Plan Works for You

The foundation of any Rodan + Fields business is a commitment to promoting our products and brand values. From there, it's up to you how you choose to grow.

Multiple Ways to Earn

THE RODAN + FIELDS COMPENSATION PLAN OFFERS FOUR WAYS TO EARN COMMISSIONS:

- 1 **Customer Commissions** from selling product to your Retail Customers and Preferred Customers.
- 2 **Level 1 Commissions** for Consultants with the title of Active Consultant from sales generated by your Level 1 Consultants and their Customers.
- 3 **Personal Team Commissions** from sales generated by your Personal Team.
- 4 **Generation Commissions** from sales generated by the extended organization your Personal Team creates.

In addition to Commissions, Consultants can also earn program rewards, incentive trips and bonuses. See the Programs Page in the Library for details.



CHART EXPLANATIONS



Retail Customer (RC)



Preferred Customer (PC)



Customers



Consultant (C*)
Active Consultant (C)



Executive Consultant (EC)



Leadership Titles



Personal Team

RETAIL CUSTOMER (RC): A Customer who purchases R+F Products from or through a Consultant or directly from R+F at Retail Price.

PREFERRED CUSTOMER (PC): A Customer who purchases R+F Products through a Consultant and enrolls in PC Perks. (See PC Perks Terms and Conditions located in the Library for more details.)

CONSULTANT (C*): A Consultant is an Independent Contractor who has signed a Consultant Agreement which has been accepted by Rodan + Fields.

ACTIVE CONSULTANT (C): A Consultant becomes an Active Consultant by achieving 100 Sales Volume in a calendar month.

EXECUTIVE CONSULTANT (EC): A Consultant becomes an Executive Consultant by achieving 100 in Sales Volume and 800 in Group Volume in a calendar month.

LEADERSHIP TITLES (LI EC – RF^X EC): Leadership Titles may be earned by an Executive Consultant based on the number of ECs and Level V ECs in their Level 1 (or their Level 1 Consultant's downline) in a calendar month.

Leadership Titles include:

- Level I Executive Consultant (LI EC)
- Level II Executive Consultant (LII EC)
- Level III Executive Consultant (LIII EC)
- Level IV Executive Consultant (LIV EC)
- Level V Executive Consultant (LV EC)
- Premier Executive Consultant (Premier EC)
- Elite Executive Consultant (Elite EC)
- RF^X Executive Consultant (RF^X EC)

PERSONAL TEAM: A Personal Team is formed when a Consultant advances to EC or higher. An EC's Personal Team includes all their downline Consultants and their Preferred Customers down to and including the first EC in each Leg.

KEY TERMS

COMMISSIONABLE VOLUME (CV): CV is assigned to each commissionable product for calculation of Commissions.

QUALIFYING VOLUME (QV): QV is assigned to each commissionable product for calculation of Titles and program rewards for sales achievements.

SALES VOLUME (SV): SV is made up of the QV of purchases made by your Retail Customers and/or the QV of personal purchases you make (up to the Qualifying Volume Contribution Limit).¹

PERSONAL VOLUME (PV): PV is made up of your SV and the QV of purchases made by your Preferred Customers.

GROUP VOLUME (GV): GV is made up of your PV plus the PV of all the Consultants on your Level 1.

PAID-AS TITLE: The final title you qualify for in a Commission Period (typically the same as a calendar month).

DOWNLINE: Your Downline is all the Consultants in your organization.

LEVEL 1 (L1): L1 consists of all the Consultants who are direct to you and their Preferred Customers.

LEG: Each Level 1 Consultant and all their Downline.

EXECUTIVE CONSULTANT LEG (EC Leg): Any Leg that contains at least one Paid-As EC or higher title anywhere in the Leg.

LEVEL V EC LEG (LV EC Leg): Any Leg that contains a Paid-As LV EC or higher anywhere in the Leg.

GENERATIONS: A Generation is formed as Consultants in your Personal Team advance to EC or higher. When this happens, their Personal Teams move out of your Personal Team and become your Generation I. When Consultants in your Generation I advance to EC or higher their Personal Teams become your Generation II.

Note: In the R+F Compensation Plan, Roman numerals are used for Titles and Generations (e.g., Level I Executive Consultant), while Arabic numerals are used for Levels in an organization (e.g., Level 1).

¹The maximum amount of QV that you can contribute through personal purchases is 400 QV per month toward any qualification category (SV, PV, GV, L1+L2, L1-L6). New Consultants in their first three months of operating their business (Enrollment month + three months) have a maximum personal contribution limit of 600 QV per month.

1. Customer Commissions

As a Rodan + Fields Consultant, you can earn Customer Commissions on purchases made by your Retail Customers and Preferred Customers. Customer Commissions are a tiered percent on the price paid for all direct sales to Customers based upon the Paid-As Title you achieve.

Consultant (17%)

Active Consultant (24%)

Executive Consultant (28%)

CUSTOMER COMMISSIONS



KEY

- Retail Customer (RC)
- Preferred Customer (PC)
- Customers
- Consultant (C*)
Active Consultant (C)
- Executive Consultant (EC)
- Leadership Titles
- Personal Team



CUSTOMER COMMISSIONS EXAMPLE		
Customer Price		
\$100		
Paid-As Title	Commission %	Commission on Customer Price
Consultant (C*)	17%	\$17
Active Consultant (C)	24%	\$24
Executive Consultant+ (EC+)	28%	\$28

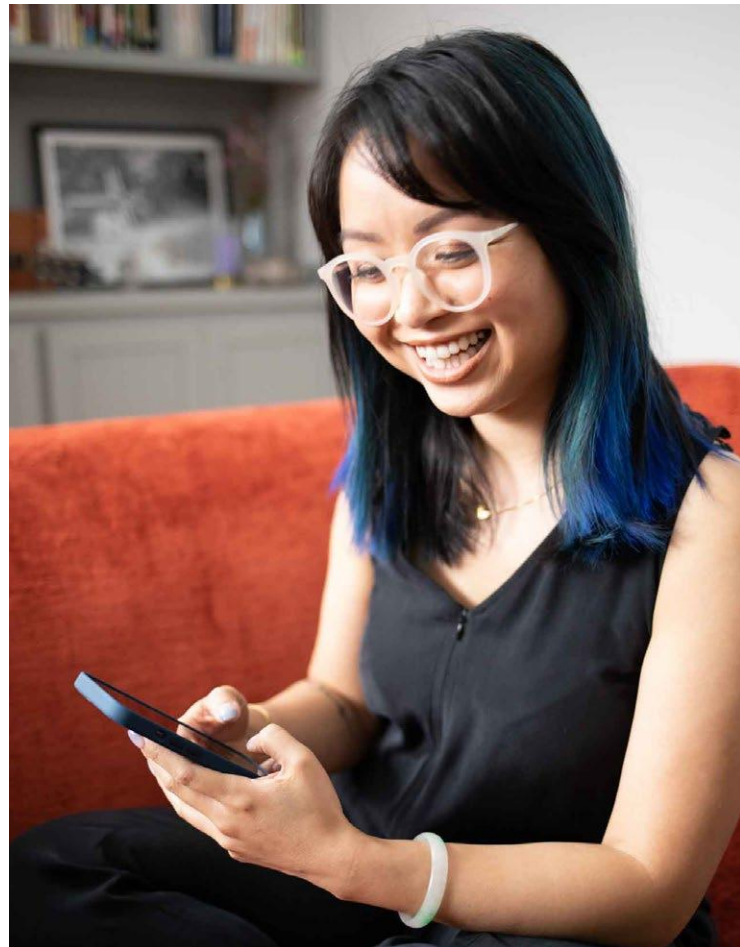
2. Level 1 Commissions

ACTIVE CONSULTANT

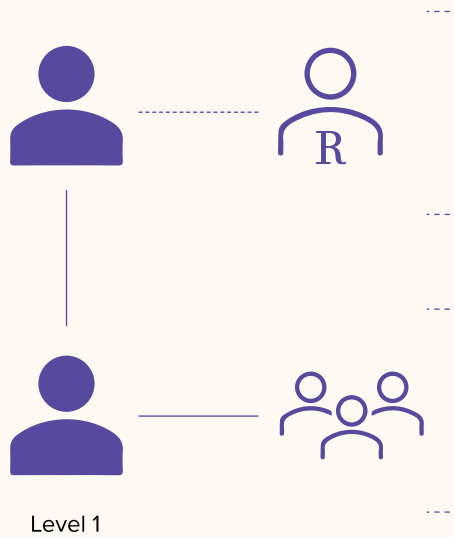
As an Active Consultant (C), you're eligible to earn Level 1 (L1) Commissions. You simply need to achieve a minimum of 100 Sales Volume (SV) each Commission Period.²

As an Active Consultant, the two ways you can earn include:

- **Level 1 Commissions:**³ 4% Commissions on Commissionable Volume (CV) of sales generated by your L1 Consultants and their Customers.
- **Customer Commissions:** 24% Commissions on the price paid by your Retail Customers and Preferred Customers.



ACTIVE CONSULTANT



To become an Active Consultant (C), achieve 100 or more Sales Volume (SV) in a Commission Period.²

As an Active Consultant you receive 4% Commission on Commissionable Volume of sales generated by your L1 Consultants and their Customers.

KEY	Retail Customer (RC)	Preferred Customer (PC)	Customers
	Consultant (C) Active Consultant (C)	Executive Consultant (EC)	Leadership Titles
		Personal Team	

²Commission Period is a calendar month.

³Active Consultants earn Level 1 Commissions. When an Active Consultant advances to the Title of Executive Consultant and higher they earn Personal Team Commissions.

3. Personal Team Commissions

EXECUTIVE CONSULTANT

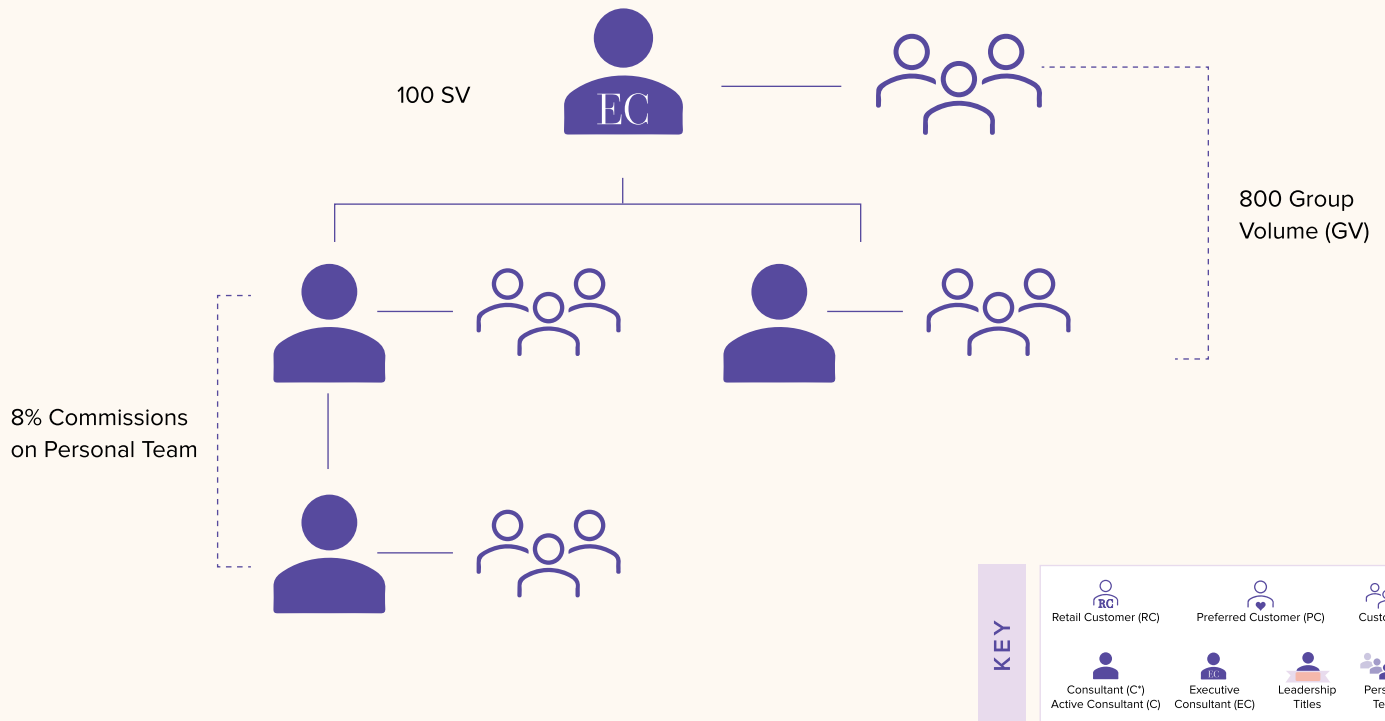
As an Active Consultant, your next target is to qualify as an Executive Consultant (EC) by achieving a minimum of 800 Group Volume (GV) in a Commission Period.

As an EC, the two ways you can earn include:

- **Personal Team Commissions:** 8% Commissions on the CV generated by all the Consultants in your Personal Team and their Customers.
- **Customer Commissions:** 28% Commissions on the price paid by your Retail Customers and Preferred Customers.



EXECUTIVE CONSULTANT



4. Generation Commissions

ADVANCING TO LEVEL I EXECUTIVE CONSULTANT

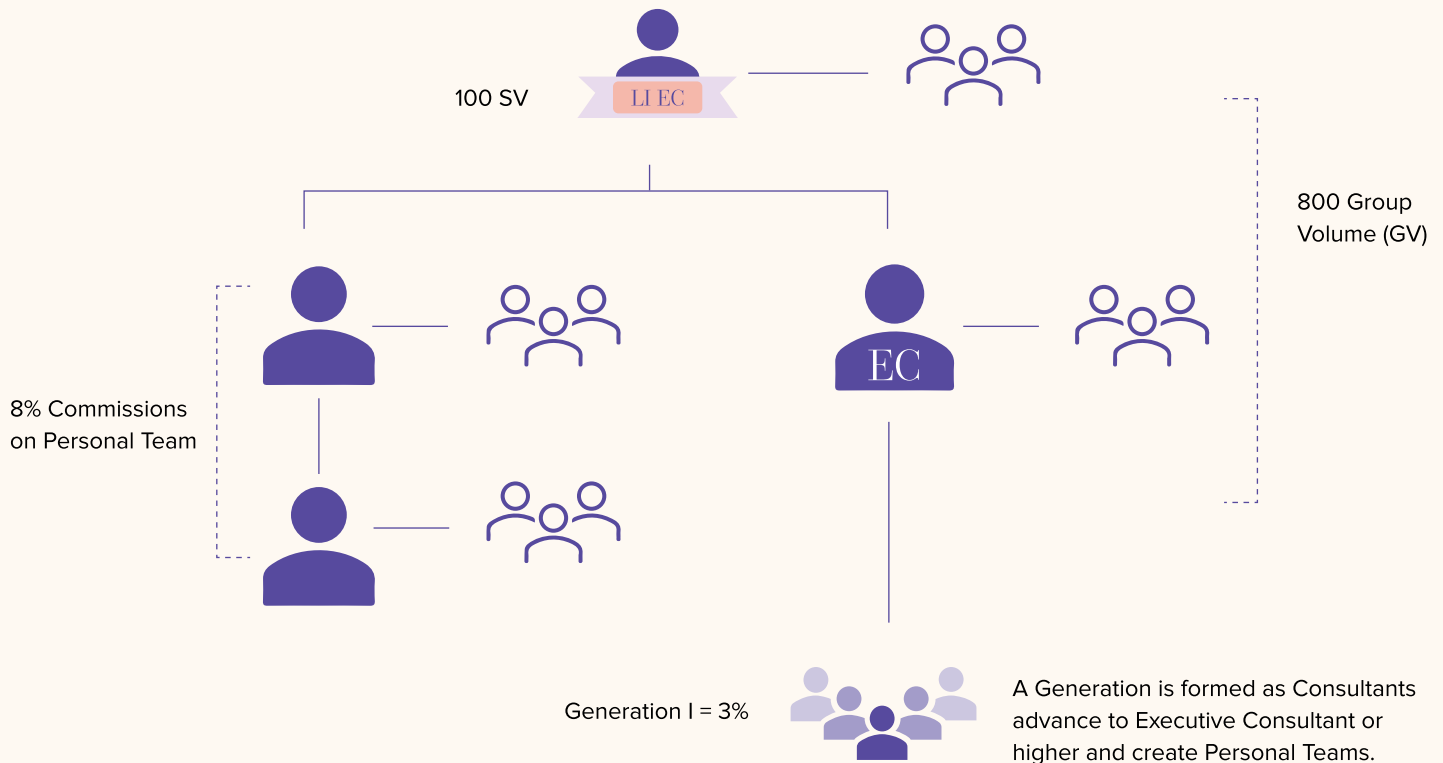
When you maintain your EC status and support the advancement of one Consultant in your Level 1 (or their downline) to EC status, that Executive Consultant's Personal Team Volume moves out of your Personal Team to your Generation I. This process will advance you to a Level I Executive Consultant (LI EC).

As a Level I EC, the three ways you can earn include:

- **Generation Commissions:** 3% Commissions on Generation I CV.
- **Personal Team Commissions:** 8% Commissions on the CV generated by all the Consultants in your Personal Team and their Customers.
- **Customer Commissions:** 28% Commissions on the price paid by your Retail Customers and Preferred Customers.



LEVEL I EXECUTIVE CONSULTANT



4. Generation Commissions Cont.

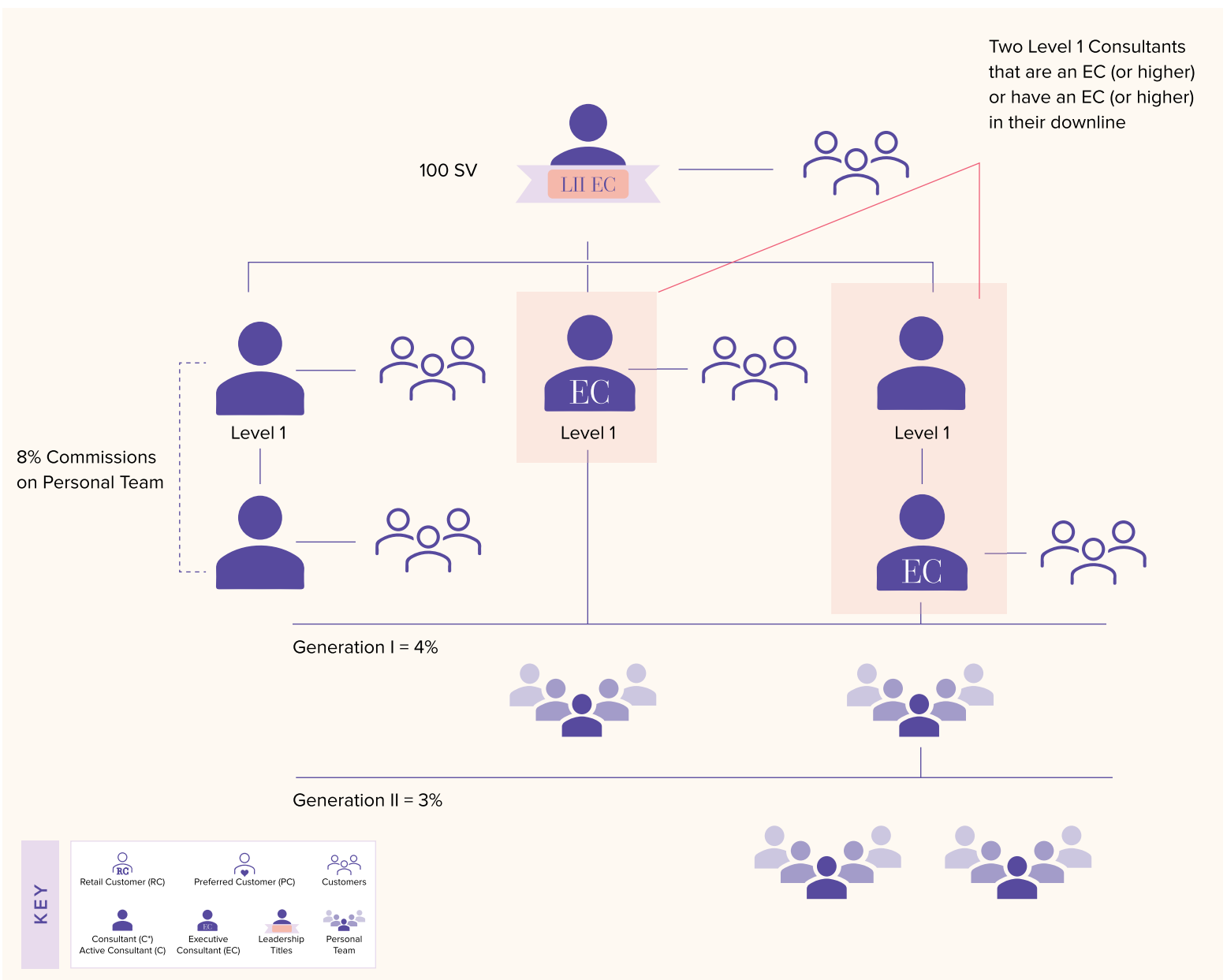
ADVANCING TO LEVEL II EXECUTIVE CONSULTANT

When you maintain your Executive Consultant status and support the advancement of a second Consultant in your Level 1 (or their downline) to an EC through product sales, you will advance to Level II Executive Consultant (LII EC).

As a Level II EC, the three ways you can earn include:

- **Generation Commissions:** 4% Commissions on Generation I CV and 3% Commissions on Generation II CV.
- **Personal Team Commissions:** 8% Commissions on the CV generated by all the Consultants and Customers in your Personal Team.
- **Customer Commissions:** 28% Commissions on the price paid by your Retail Customers and Preferred Customers.

LEVEL II EXECUTIVE CONSULTANT



4. Generation Commissions Cont.

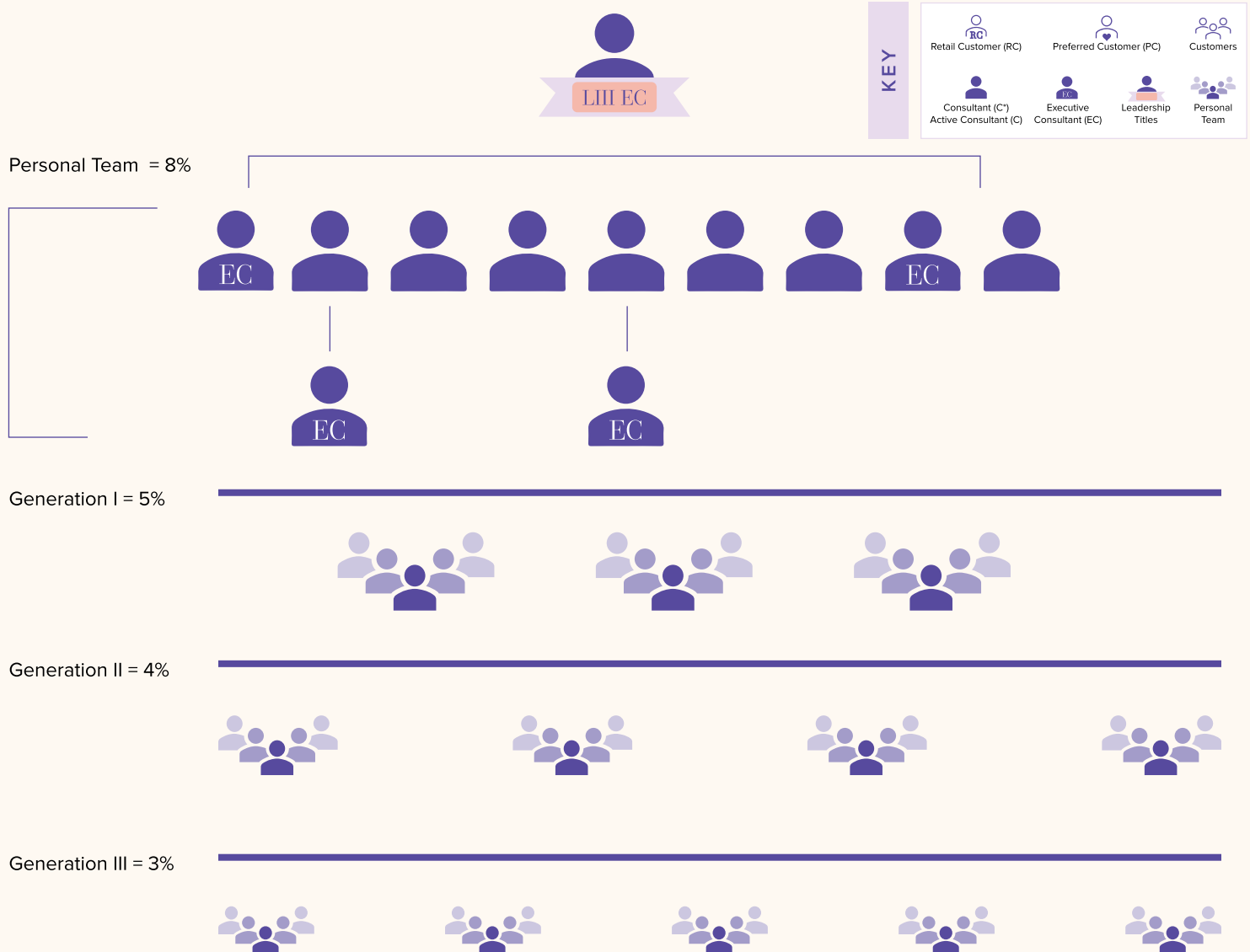
ADVANCING TO LEVEL III EXECUTIVE CONSULTANT

Once you have grown your organization and support the advancement of four Consultants in your Level 1 (or in their downline) to ECs, you will advance to a Level III Executive Consultant (LIII EC).

As a Level III EC, three ways you can earn include:

- **Generation Commissions:** 5% Commissions on Generation I CV, 4% Commissions on Generation II CV, 3% Commissions on Generation III CV.
- **Personal Team Commissions:** 8% Commissions on the CV generated by all the Consultants in your Personal Team and their Customers.
- **Customer Commissions:** 28% Commissions on the price paid by your Retail Customers and Preferred Customers.

LEVEL III EXECUTIVE CONSULTANT



4. Generation Commissions Cont.

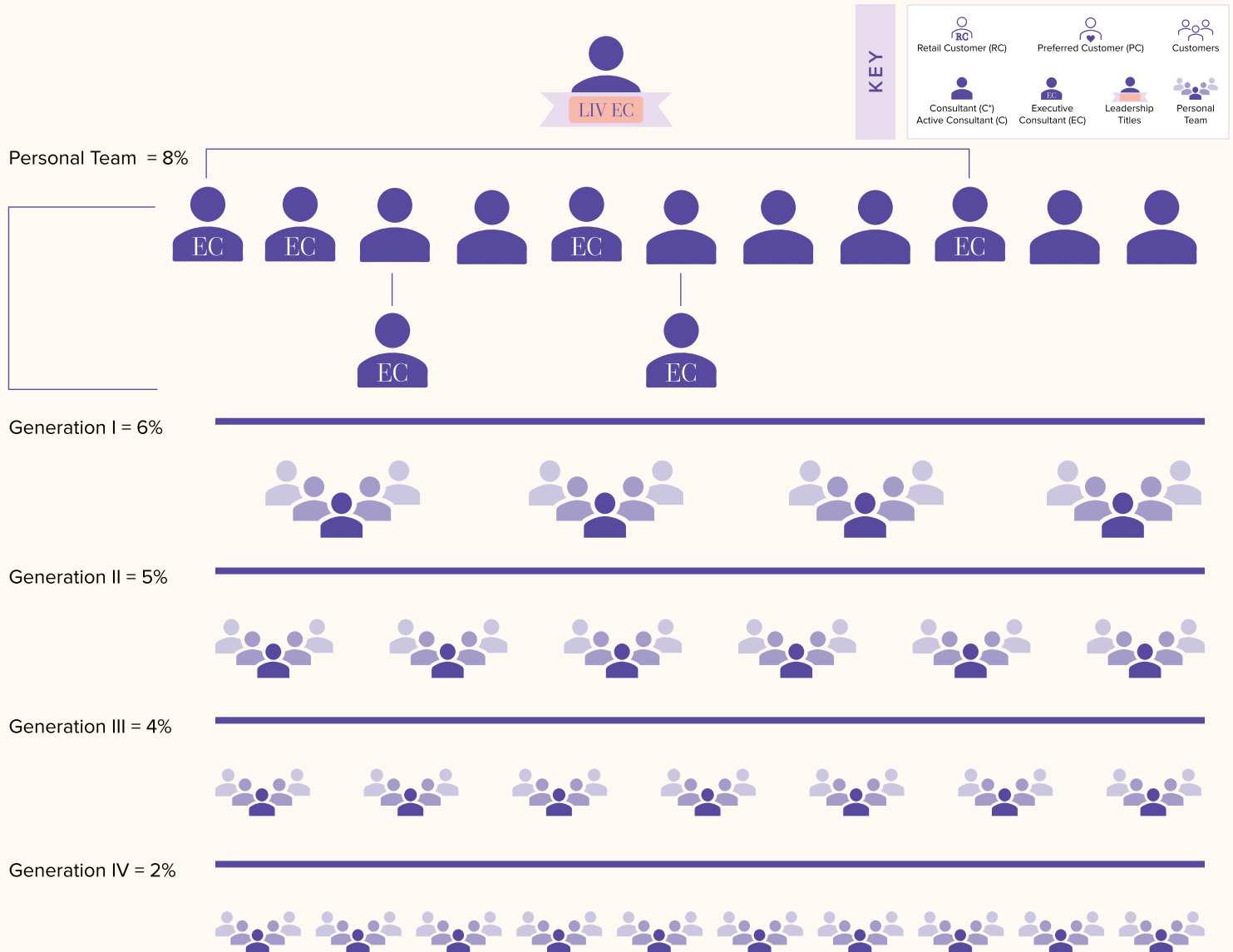
ADVANCING TO LEVEL IV EXECUTIVE CONSULTANT

Once you have grown your organization and support the advancement of six Consultants in your Level 1 (or their downline) to ECs, you will advance to a Level IV Executive Consultant (LIV EC).

As a Level IV EC, three ways you can earn include:

- **Generation Commissions:** 6% Commissions on Generation I CV, 5% Commissions on Generation II CV, 4% Commissions on Generation III CV, 2% Commissions on Generation IV CV.
- **Personal Team Commissions:** 8% Commissions on the CV generated by all the Consultants in your Personal Team and their Customers.
- **Customer Commissions:** 28% Commissions on the price paid by your Retail Customers and Preferred Customers.

LEVEL IV EXECUTIVE CONSULTANT



4. Generation Commissions Cont.

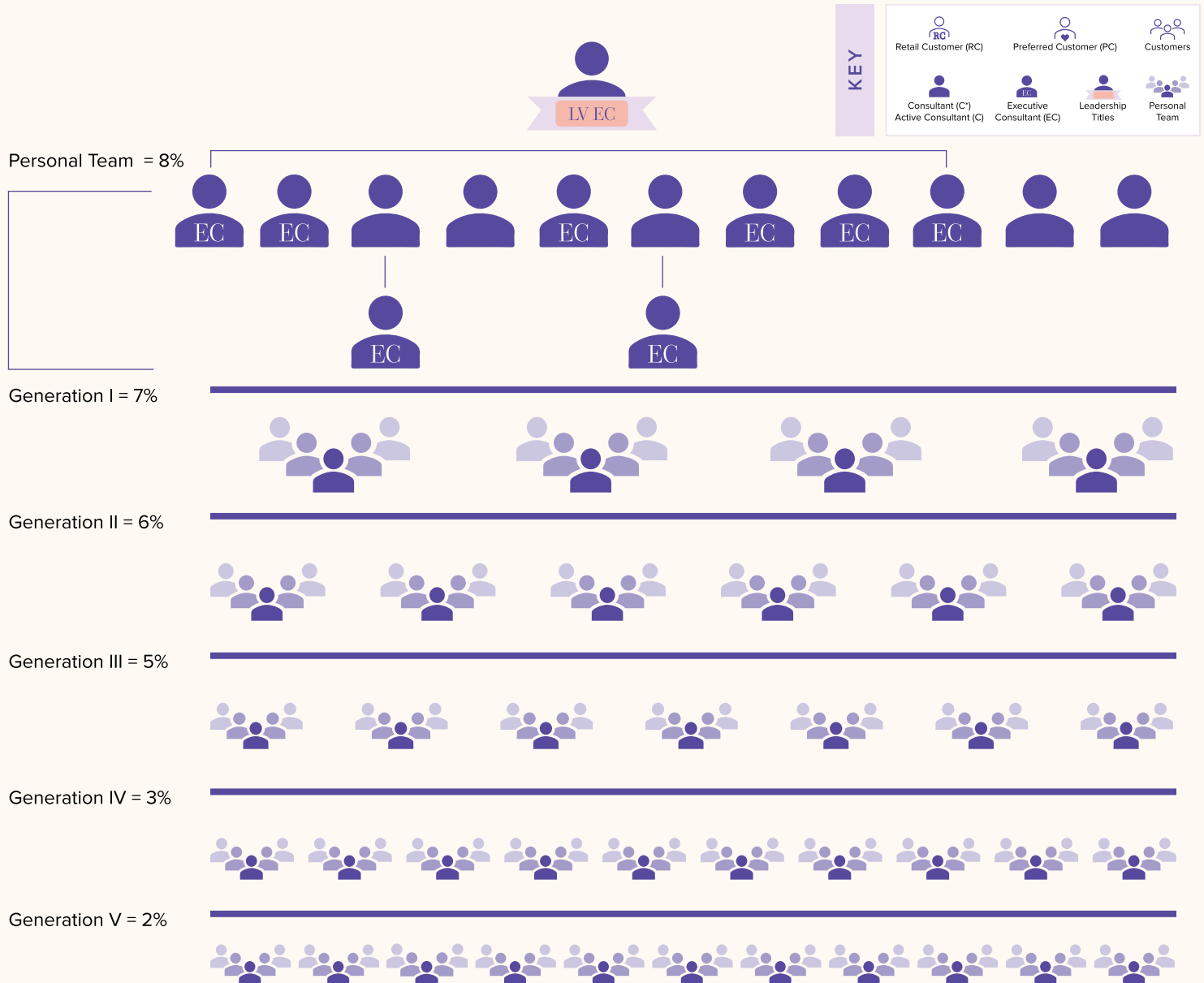
ADVANCING TO LEVEL V EXECUTIVE CONSULTANT

Once you have grown your organization and support the advancement of eight Consultants in your Level 1 (or their downline) to ECs, you will advance to a Level V Executive Consultant (LV EC).

As a Level V EC, three ways you can earn include:

- **Generation Commissions:** 7% Commissions on Generation I CV, 6% Commissions on Generation II CV, 5% Commissions on Generation III CV, 3% Commissions on Generation IV CV and 2% Commissions on Generation V CV.
- **Personal Team Commissions:** 8% Commissions on the CV generated by all the Consultants in your Personal Team and their Customers.
- **Customer Commissions:** 28% Commissions on the price paid by your Retail Customers and Preferred Customers.

LEVEL V EXECUTIVE CONSULTANT



4. Generation Commissions Cont.

PREMIER EXECUTIVE CONSULTANT

Increase your potential earnings from the Compensation Plan with Premier EC when you build your organization, generating sales volume with at least 11 ECs in your Level 1 (or their downline), one of whom is LV EC.

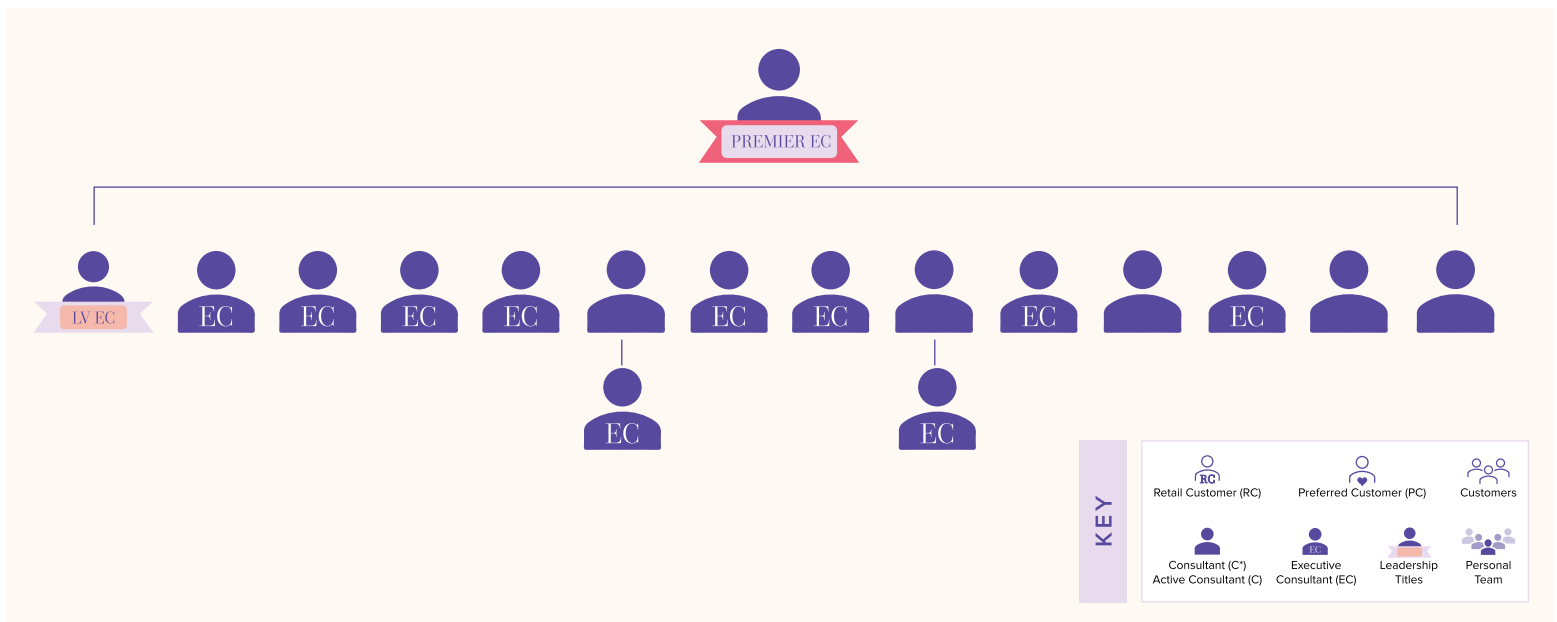
When you achieve this title, you will earn 0.5% Commissions on your Generation VI Volume. As your organization continues to grow and develop, this has the potential to meaningfully increase your earnings.

As a Premier EC, three ways you can earn include:

- **Generation Commissions:** 7% Commissions on Generation I CV, 6% Commissions on Generation II CV, 5% Commissions on Generation III CV, 3% Commissions on Generation IV CV, 2% Commissions on Generation V CV, and 0.5% Commissions on Generation VI CV.
- **Personal Team Commissions:** 8% Commissions on the CV generated by all the Consultants in your Personal Team and their Customers.
- **Customer Commissions:** 28% Commissions on the price paid by your Retail Customers and Preferred Customers.



PREMIER EXECUTIVE CONSULTANT PERSONAL TEAM SNAPSHOT



4. Generation Commissions Cont.

ELITE EXECUTIVE CONSULTANT

Increase your potential Commissions under the Compensation Plan at Elite EC when you continue to build your organization, generating sales volume with at least 13 ECs in your Level 1 (or their downline), three of whom are LV EC.

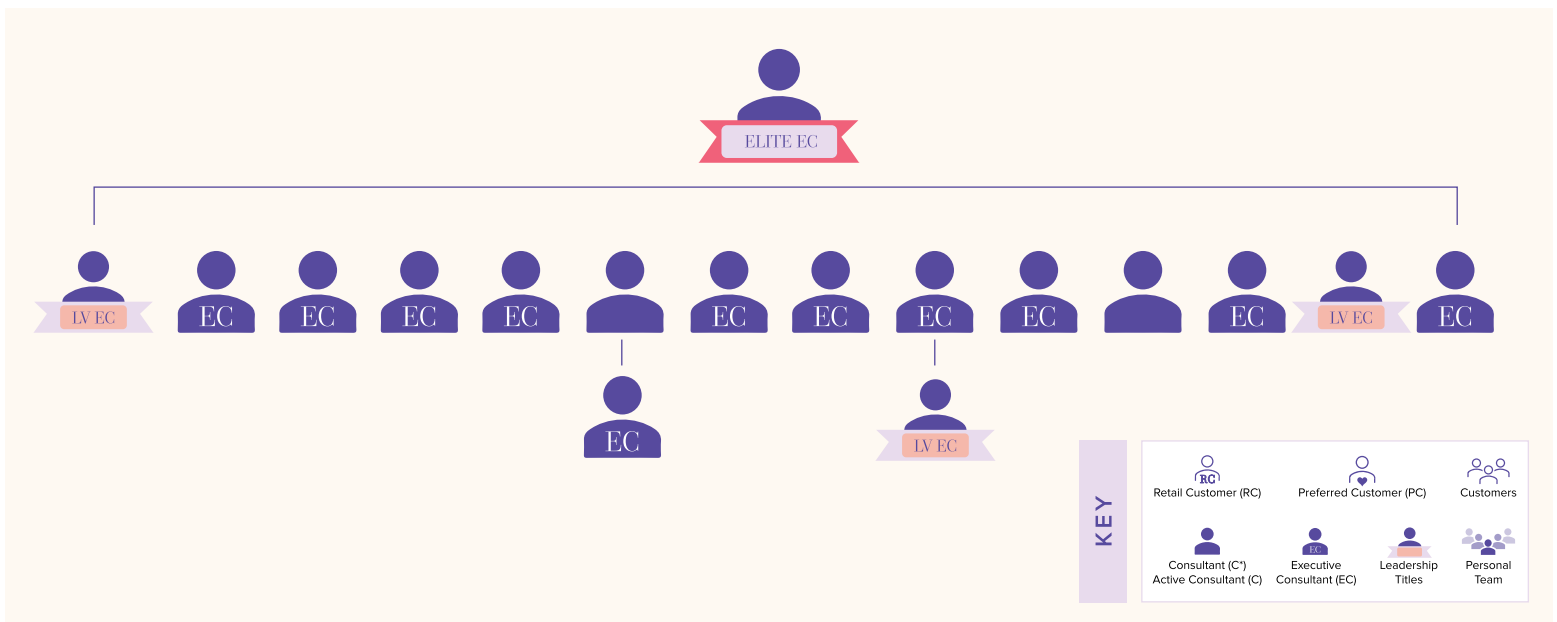
When you achieve this title, you will earn 1% Commission on your Generation VI Volume. As your organization continues to grow and develop, this has the potential to meaningfully increase your earnings.

As an Elite EC, three ways you can earn include:

- **Generation Commissions:** 7% Commissions on Generation I CV, 6% Commissions on Generation II CV, 5% Commissions on Generation III CV, 4% Commissions on Generation IV CV, 3% Commissions on Generation V CV, and 1% Commissions on Generation VI CV.
- **Personal Team Commissions:** 8% Commissions on the CV generated by all the Consultants in your Personal Team and their Customers.
- **Customer Commissions:** 28% Commissions on the price paid by your Retail Customers and Preferred Customers.



ELITE EXECUTIVE CONSULTANT PERSONAL TEAM SNAPSHOT



4. Generation Commissions Cont.

RF^x EXECUTIVE CONSULTANT

Maximize your potential earnings from the Compensation Plan with RF^x EC when you continue to build your organization, generating sales volume with at least 15 ECs in your Level 1 (or their downline), 5 of whom are LV EC.

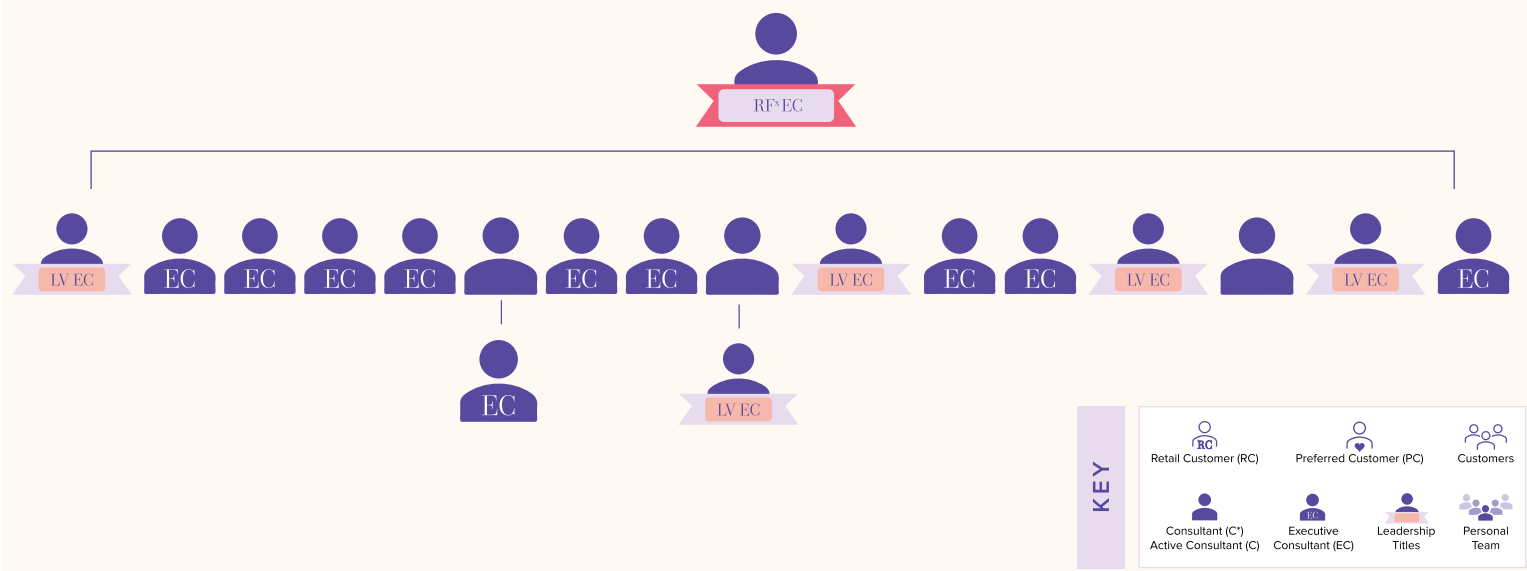
When you reach this ultimate destination, you will earn 2% Commissions on your Generation VI Volume. As your organization continues to grow and develop, this has the potential to meaningfully increase your earnings.

As an RF^x EC, three ways you can earn include:

- **Generation Commissions:** 7% Commissions on Generation I CV, 6% Commissions on Generation II CV, 5% Commissions on Generation III CV, 4% Commissions on Generation IV CV, 3% Commissions on Generation V CV, and 2% Commissions on Generation VI CV.
- **Personal Team Commissions:** 8% Commissions on the CV generated by all the Consultants in your Personal Team and their Customers.
- **Customer Commissions:** 28% Commissions on the price paid by your Retail Customers and Preferred Customers.



RF^x EXECUTIVE CONSULTANT PERSONAL TEAM SNAPSHOT



5. Compensation Plan at a Glance

	Consultant	Active Consultant	Executive Consultant	Level I Executive Consultant	Level II Executive Consultant	Level III Executive Consultant	Level IV Executive Consultant	Level V Executive Consultant	Premier Executive Consultant	Elite Executive Consultant	RF ^x Executive Consultant
Abbreviation	C*	C	EC	LI EC	LII EC	LIII EC	LIV EC	LV EC	Premier EC	Elite EC	RF ^x EC
Requirements											
Sales Volume (SV)		100 SV	100 SV	100 SV	100 SV	100 SV	100 SV	100 SV	100 SV	100 SV	100 SV
Group Volume (GV)			800 GV	800 GV	800 GV	800 GV	800 GV	800 GV	800 GV	800 GV	800 GV
Number of Qualified EC Legs				1	2	4	6	8 or more	11 or more	13 or more	15 or more
Number of Qualified LV EC Legs									1	3	5
Earning Potential⁴											
Customer Commissions	17%	24%	28%	28%	28%	28%	28%	28%	28%	28%	28%
Level 1 Commissions		4%									
Personal Team Commissions			8%	8%	8%	8%	8%	8%	8%	8%	8%
Generation I Commissions				3%	4%	5%	6%	7%	7%	7%	7%
Generation II Commissions					3%	4%	5%	6%	6%	6%	6%
Generation III Commissions						3%	4%	5%	5%	5%	5%
Generation IV Commissions							2%	3%	3%	4%	4%
Generation V Commissions								2%	2%	3%	3%
Generation VI Commissions									0.5%	1%	2%

⁴Customer Commissions are a % of price paid by the Customer. Level 1, Personal Team and Generation Commissions are a % of Commissionable Volume of the order.



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