

When you become a Human Nature Dealer, you take part in Human Nature's mission to uplift the poor through sharing the goodness of our genuinely natural products. To help you in your business of sharing goodness, you may now enjoy up to 27.5% discount on purchases and up to 10% on commissions.

HOW TO QUALIFY AS A HUMAN NATURE HEARTREPRENEUR/DEALER

- 1. To become a Human Nature Dealer under the new June 1, 2022 scheme, you must purchase at least P1,999* worth of Human Nature products, fill-out the Dealer registration form, provide a valid ID and TIN (Tax Identification Number) and provide the address where you intend to sell Human Nature products.
- 2. Upon successful registration, you will receive 5 copies of the magalogue and a physical or digital ID card. (You may also access your Digital ID through the Human Nature Dealer Dashboard)
 - *P1,999 net of Dealer discount; or P2,665 SRP

BENEFITS & PRIVILEGES OF HEARTREPRENEUR/DEALER

1. As a Dealer, you can enjoy a 25-27.5% discount on all purchases*. The discount level will be based on your monthly purchases:

| HEARTrepreneur/ DealerRank | Monthly Personal Purchases | D iscount Rates | |
|-------------------------------|-------------------------------|-----------------|--|
| Gold / Platinum / Diamond | P2000 - P11999 | 25% | |
| Dealers | P12,000 - P19,999 | 26% | |
| | P20 000 & above | 27.5% | |

2. You may also earn one-time referral commissions OR up to 10%** on your referrals' purchases:

| | Monthly M | linim um Requ | ReferralFee Rates on | | |
|-------------------------------|-----------------------|------------------------------------|----------------------|---|------|
| HEARTrepreneur/ DealerRank | Personal Purchases | Combined Community Purchases | Active Referrals | Active Member/ Dealer Referrals Active Active Referrals | |
| Gold Dealer | P2,000 | NONE | 0 to 2 | One-time ReferralCommission (P50 Members / P100 Dealers) | |
| Platinum Dealer | P3,000 | ₽5,000 | 3 to 9 | 5% | |
| Diam ond Dealer | P5,000 | P25,000 | 10 ormore | 7.5% | 10 % |

To earn commissions from community purchases (meaning, purchases of your recruits), you would need to maintain a personal purchase, combined community purchase, and a number of active referrals*** monthly.

- 3. Access to Dealer-exclusive in-store promos and new product launch offers.
- 4. The Dealership is non-transferrable, though you may enroll or authorize one household member to order and pay on your behalf.

*Home Care products (except Dishwashing Powder and Baby Bottle Utensil Cleansing Powder),

Skin Shield Oil products, Sunflower Beauty Oil products, Refilling Station products, and Social Enterprise items have a ceiling Dealer discount of 20% discount. Next 9 Diapers have a ceiling discount of 10%. All other Human Nature products, including the products on promotion, have a 27.5% ceiling Dealer discount.

**Social enterprise products including Next 9 diapers, Non- Human Nature merchandise, Human Nature Home Care products, and Refilling Station products have a ceiling referral commission rate of 3%.

Depending on your purchase volumes per month, your discount can increase, up to **27.5%**. As you sell more products and grow your community (through referring Members and Dealers), you will rise through the ranks earning higher discounts and more referral earnings.

PERSONAL PURCHASE - A Shopper/Member/Dealer's purchase from the Human Nature branches or website (www.humanheartnature.com/buy)

^{***}Active referrals are Shopper/ Member/ Dealer recruits who have active account status



COMMUNITY PURCHASE - The combined purchases of all Shopper, Member and Dealer referrals via the Human Nature branches or website.

DIRECT ACTIVE REFERRAL - A Member or Dealer registered under you with a cumulative purchase of at least P800 (net of discounts) within a month, via the Human Nature branches or website.

SHOPPER REFERRAL – A person registered under you who buys from the Human Nature branches or website at retail price.

Combined group purchases include purchases from all direct active referrals - Shoppers, Members and Dealers.

*all values pertain to net of dealer discounts (not SRP)

*purchase figures are inclusive of VAT

*referral earnings are calculated based on VAT exclusive amounts

*referral fee rates in other product categories may vary and change

*non-trade items are not eligible for referral fee rates

IMPORTANT

Your monthly purchase includes orders successfully processed from the **first until the last working day** of the month. Order processing is from Mondays-Fridays 9:00am to 6:00pm and 9:00am to 1:00pm on Saturdays for website orders or until store hours in our branches. **BACK ORDERS** <u>regardless</u> **if paid or not, are NOT included in calculating sales figures.**

Your Dealer discount is not applicable to magalogues, fliers, tarpaulins and other marketing materials/merchandise. It is also not applicable to gift certificates and service fees (e.g. delivery fees). These items/fees are also non-commissionable. See current price lists for details.

Before you sign up, you are required to attend the Brand Advocacy Orientation: Journey To Goodness. This will help you gain in-depth knowledge about Human Nature and our advocacies, which you will also be sharing to others. As a Dealer, you will have access to new product training and Dealer-exclusive promos that will help you gain more sales.

Please note that the dealership only applies for purchases made in the Philippines. Human Nature distributors overseas are not covered by this dealership agreement. They may not or may have an existing dealership scheme, which is independent from the ones implemented in the Philippines. For more information on our existing overseas partners, you may visit the individual partner country page on our website and contact them directly.

All Dealer accounts are non-transferable, even if the individual decides not to make future purchases or will be living overseas. The account can become inactive if not used for a certain period but can easily be reactivated (see page 3). If your family member wants to purchase at a discount, you may refer them to sign up as a Member/Dealer.

MAINTAINING YOUR DEALER DISCOUNT

Your Dealer discount is assessed at the end of each month and is updated on the 5th of the following month. You need to maintain at least the minimum personal purchase requirement for the specific discount level every month in order to retain your discount. If you are able to reach the target purchase for a higher discount, the new discount rate will be applied to your account in the succeeding month. Similarly, if you fail to meet the required purchase for your current discount level you will go down to the discount level that matches your total month end purchase.

This rule generally applies if you are under a specific dealer rank. For example, a GOLD Dealer with 26% discount can either go up to 27.5% or down to 25% discount the following month depending on her purchases in the previous month. To illustrate further, a Gold Dealer who was unable to meet her personal purchase of P2,000 per month will still enjoy a 25% discount while she is still in the Gold level since this is the lowest discount level for this rank.



All Dealers are given three (3) consecutive months to make up for their purchases in order to stay in their rank or at least keep their discount.

| | JULY | AUGUST | SEPTEMBER | REMARKS | |
|------------------------|-----------------|-----------------|-----------------|--|--|
| Personal Purchase | Php3,000 | Php3,000 | Php1,500 | Past 3 month's average personal purchase is Php7,500 which is below Php9,000.00 requirement | |
| reisonal ruichase | | | × | of a PLATINUM Dealer | |
| Community Purchase | Php5,000 | Php4,000 | Php5,000 | Past 3 month's average community purchase is Php14,000 which is below Php15,000.00 | |
| Community Purchase | | 8 | | requirement of a PLATINUM Dealer | |
| Direct Active Downline | 2 | 3 | 3 | Past 3 month's average direct active referral is which is below the 9 active referral requirement | |
| Direct Active Downline | 8 | | | a PLATINUM Dealer | |
| RANK | PLATINUM Dealer | PLATINUM Dealer | PLATINUM Dealer | July to September performance did not meet the rank requirement of a Platinum Dealer. Therefore, rank in November will be slide as GOLD Dealer. One time referral commission will still apply in November. | |

Note: The 3 month rolling period will reset every time your rank changes (promotion/demotion). This reset month will not be included in the averaging and the 3 month rolling period will start the following month and continue until your next rank change.

DEALER ACCOUNT REACTIVATION

In the event that a Dealer fails to meet the average monthly purchase of P2,000 within a three (3) month rolling period, the account becomes inactive goes into a dormant state. Hence, an inactive Dealer loses their discount privileges and will purchase at SRP.

You can reactivate back to Dealer status by making a one-time purchase of at least P2,000 net of discount or minimum P2,665 at SRP or make a cumulative purchase of at least P2,665 within one month at SRP.

Reactivation Scenario 1: Single Receipt Transaction

If a **single purchase transaction** amounting to P2,000 at a discounted price is made, the 25% Dealer Discount can be applied **immediately**.

Reactivation Scenario 2: Cumulative Purchase Transaction

If a **cumulative transaction** totaling P2,000 was made, the 25% Dealer Discount shall be re-applied on the 5^{th} of the following month.

LISTING A REFERRER

A referrer is the person who genuinely introduces you to Human Nature, whether just to use the products (Member) or to sign up and start your own Social Enterprise (Dealer).

Your referrer must be someone who does not live with you at the same address.

The referrer's name and Dealer ID must be indicated on the registration form in order for you to be tagged as his/her referral.

The declaration of your referrer is only allowed within 30 days upon registration. To update, please send a Letter of Request along with a scanned copy of a newly accomplished signed Dealer Registration Form and your valid ID to customer.service@humanheartnature.com. Alternatively, you may visit the Human Nature branch where you registered and fill out a new form. Once a referrer has been declared, this can no longer be changed.

REFERRAL/RECRUITMENT

Human Nature uses a straight line / linear networking system wherein you can recruit other Members, Dealers and Shoppers and tag them as your referrals. Please be reminded that only people that



you personally referred to join or genuinely introduced to Human Nature can be tagged as your referral.

Dealers, Members or Shoppers referred by your recruits will not be connected to you. Referrals can be your friends, colleagues or even relatives as long as they do not live at the same address as yours.

The combined purchases of your referrals can entitle you to earn a commission as long as both the personal and group purchase requirements are met. Please refer to the Dealer Earning Structure on page 10 of the Guidebook for the purchase requirement and commission percentage.

Once you have referred a person to register, kindly advise them to indicate your name and Dealer) ID Number on the registration form in order for them to be tagged under your account. Referred Shoppers just need to advise the branch staff/sales associate that you introduced them to Human Nature, or indicate your name and Dealer ID in the remarks field of the final checkout page of their first online purchase.

REFERRAL EARNINGS ON COMMUNITY PURCHASES

As you convince people to sign up as a Shopper, Member or Dealer, you will also earn referral earnings from their purchases. Always remember that you earn referral income from the purchases of your direct referrals and not from merely referring, hence, it is important for you to monitor your referrals and motivate them to replicate your efforts in selling the products and sharing the social enterprise to their own networks. You can use your Dealer Dashboard for constant monitoring of your community's performance.

Please note that referral earnings are only calculated from your direct active referrals that are purchasing in Philippine SRP. Hence, members purchasing at international price or overseas are not included in referral earning calculations.

The computation of community purchases excludes your personal purchases as well as purchases of any of your referrals who is an immediate family member living in the same address as you have indicated in your registration form.

ONLINE DEALER SHOP (ODS) – ONLINE EARNINGS

An Online Dealer Shop is a dealer sales tool made available at the Human Nature website that provides a personal online store for a Human Nature Dealer, with the dealer's own URL. This provides an online platform for dealers to sell to more customers without the geographical and logistical limitations of selling face to face.

Each ODS is a replica of Human Nature's official online shop (www.humanheartnature.com/buy), with your photo at the top left area of the page underneath the Human Nature logo. Each ODS can be visited via the dealer's unique web link (e.g. www.humanheartnature.com/buy/lisadelacruz).

NOTE: Use of the brand name and logo. "Gandang Kalikasan", "Human Heart Nature", "Human Nature", its logo and variations of the corporate/brand name or logo are restricted in the Online Dealer Shop name, URL (link), description, profile image and social media thumbnail. Please refer to our ODS FAQ's online for full details: https://humanheartnature.com/buy/starting-out#ods

Dealers can share the link to their shop to their friends and contacts via email, SMS and social media, as well as link it to your existing online stores. Shoppers buy through the ODS at SRP (brochure price). Once they check out, Human Nature Head Office will take care of picking, packing and delivering the order straight to the customer.



Dealers can share the link of their ODS to friends and families abroad. Customers abroad will be charged in Philippine Pesos (Php), so there may be slight differences depending on their credit/debit card charges for foreign currency transactions.

Only those with active Dealer rank may avail an Online Dealer Shop and ODS earnings are only applicable for shoppers – customers purchasing at SRP. An ODS cannot earn from the purchase of another member or dealer since they are already purchasing at a discount, you will earn commissions on their purchases instead (as long as you meet your rank's monthly requirements).

Shoppers can purchase via their choice of Online Shop, so you can earn even from prior registered shoppers even if they are not your referrals. Consequently, your referrals may also purchase from another dealer's ODS.

SAMPLE EARNING COMPUTATIONS

1. Profits from Selling Products

Rank : **Platinum Dealer**

Discount on Personal Purchase : 26%

Amount of Orders, in SRP : P18,000 (from 10 colleagues and 7 neighbors)

Personal Purchase : P13,320 (net of Dealer discount)

= P18,000 - P13,320.00

Your profit will be = P4,680.00

2. Referral Earnings from Member and Dealer Referrals

Rank : **Platinum Dealer**

Discount on Personal Purchase : 26%

Personal Purchase : P5,300 (net of dealer discount)

Community Purchases : P8,000 from 2 Member/Dealer referrals

Referral Earnings : 5% on Member/Dealer referrals (based on VAT-EX purchase

amount net of dealer discount and subject to 5% or 10%

withholding Tax whichever is applicable**.)

= (P8,000/1.12) * 5% = P357.14 - 5%**

Total Referral Earnings = P339.28

Continuously referring people and mentoring your community will surely make it easy to move up the rank, and earn more.

IMPORTANT

Updating of discounts and ranks are processed within the first five business days of the following month.

3. Online Shop Earnings from Online Dealer Shop (ODS):

Rank : Gold Dealer

Discount on Personal Purchase : 25%

Personal Purchase : P1,500 (net of Dealer discount)
ODS Shop Purchase : P5,000 from 3 ODS Shoppers

Online Shop Earnings

Difference of Shopper Purchase at SRP and Dealer Price plus transaction fee (based on VAT-exclusive purchase amount and subject to 5% or 10% withholding tax whichever is applicable**.)



= P5000/1.12*(25% - 5%)

= P892.86 - 5%**

= P848.24

IMPORTANT

* In order for you to receive your earnings you must provide your Tax Identification Number(TIN) to Gandang Kalikasan, Inc. otherwise we will be unable to release any as mandated by the government.

** To be qualified for the 5% withholding tax you must submit a notarized sworn declaration that your gross annual income does not exceed 3 million pesos and a copy of your certificate of registration with BIR to Gandang Kalikasan, Inc. If the aforementioned documents are not submitted or your annual income is greater than 3 million pesos, then all your earnings will be subject to 10% withholding tax as per BIR Revenue regulation 11-2018

NOTE: Referral earnings come from your referrals' purchases made in any Human Nature branch and the official Human Nature website. Shoppers purchasing through any ODS store will not give the upline any referral earnings but only ODS earnings that will be credited to the ODS owner. However, the ODS transaction will still be included in your total community purchase for the computation of your dealer rank requirement.

EARNINGS FROM GROUP PURCHASES

Once you have reached the Gold Dealer level, you will be entitled to earn one-time referral commissions of Ph50 (Member) and P100 (Dealer) from your referrals. Once you climb up to the Platinum Dealer rank you will receive commissions from both your active Member and Dealer referrals. (Please see page 10 of the Dealer Guidebook for commission amount and group purchase requirements).

Commissions will only be applied for active Dealers. If the Dealer is inactive status, their purchases will not be included in the calculation of your commission.

The commission is only applied to the amount of purchase less the 12% VAT and is subject to government mandated tax. Referral and Online Dealer Shop earnings are released every third week of the succeeding month. For example, earnings from the sales from the month of July will be available in the third week of August.

You may choose to receive your commission through bank transfer to your BPI Savings account (Bank of the Philippine Islands only), as a bank cheque or as a Credit on your account.

For BPI Bank transfer kindly provide us the following information:

- BPI Account holding branch
- BPI Account Name
- BPI Account Number

For security purpose, Cheques can only be claimed at your nominated Human Nature Branch.

This credit on your account can be used for your future purchases through the your Human Nature Home Branch (branch where you purchase more frequently), sales hotline or through the Human Nature website.

If you prefer to use your credit at another branch, kindly inform our Customer Service team your preferred branch before the 5^{th} of the following month so we can process your commission accordingly. Once the credit note is processed, it can only be used at that branch until you request to transfer it again. Similarly, you may also request to change your mode of receiving commissions from cheque to credit on account or vice versa before the 5^{th} of the month otherwise the changes will only be applied in the following month.



Commissions are released around the 15th of the month.

SELLING IN FIXED LOCATIONS / KIOSKS

If you intend to sell Human Nature products in your store or in a fixed location, you are required to register as a Community Hub and submit the following to any Human Nature branch or email it to our Customer Service team (customer.service@humanheartnature.com) and it will be subject for Head office approval:

Photos of the fixed location's:

- 1. store front
- 2. shopping area where Human Nature products will be displayed
- 3. storage room where the products will be kept.
- 4. Business plan

ONLINE SELLING

Dealers are allowed to sell online including in Social Media. However, dealers are required to provide their registered name on their online store. Prices must be at the same price as the current magalogue only.

Dealers may not sell at higher or lower prices than the magalogue prices. Hence, it is the dealer's responsibility to check the prices from the Human Nature website and update their site. Any dealer found selling at the wrong price, whether higher or lower, risks the immediate termination of their dealership and removal of discounts.

The latest official photos of products may be found in the product pages on our website, www.humanheartnature.com/buy. Take advantage of them and download them to use in your online store. Just credit our website!

Dealers should Indicate on their profile photo that they are a Human Nature Dealer - or else people might assume they're also a branch and expect them to provide dealer discounts. For example, use "Human Nature Villa Margarita Dealer" instead of "Human Nature Villa Margarita".

The guidelines laid down for dealers are there to help build up their credibility as an authorized Human Nature Reseller.

ADDITIONAL INFORMATION FOR DEALERS

How To Keep Your Human Nature Products in its Best Condition: Product Handling

Our natural products must be stored away from direct sunlight and at temperatures between 25 to 35 degrees Celsius, to preserve the quality of the products. Failure to do so will cause irreparable damage to the products such as loss of fragrance, separation or discoloration. Active ingredients of natural products degrade at a faster rate in high temperature conditions. Natural products are at its best quality when stored in a cool area but not directly stored in front of an air-conditioning unit.

You must never leave the products inside a vehicle or any other place that will subject the products to temperatures greater than 35 degrees Celsius as the liability for any change in the quality of products not properly stored in accordance with these directions will be with the customer.

Since our products do not contain petroleum derived solubilizers, it is important to always shake the products before use to ensure that the ingredients are properly mixed throughout the product. Some ingredients, especially essential oils, have a tendency to settle either at the surface or at the bottom of the product. Shaking is also required for oil based products that tends to separate due to storage above 35 degrees Celcius to bring it back to its homogeneous form.



When stored in/exposed to low temperatures, some products have a tendency to form streaks or precipitates and in extremely low temperatures solidify. To disperse the streaks, just shake the product. The physical state of the product will revert back to its original form once it is stored again in ideal room temperature.

Product bottles and containers should always be properly and tightly capped after each use to prevent contamination as well as to maintain the product scent. Natural fragrances dissipate at a faster rate than synthetic fragrances.

For refilling of bottles, make sure that the bottles are properly cleaned, rinsed and dried, showing no residue of the old content in the bottle. We recommend to refill Human Nature bottles with their original content. Natural ingredients are more sensitive to handling, so proper care is needed to prevent the risk of microbial contamination of the product, which may alter its effectiveness. For safe refilling, we recommend that you bring only empty, clean and completely dry Home Care bottles to our refilling hubs.

Our bar soaps are cold processed, which makes them absorb moisture more, causing them to melt faster. Hence, we recommend that you keep them in a dry soap dish/container after use.

Bottles or containers marked as fragile must be handled with care at all times. Avoid placing the bottles or containers in places where they can accidentally fall or in spaces where they can bump into other objects and break. Extra care must also be given for powder and makeup products since we do not use synthetic binders.

We strongly advise that you use the products only up to its indicated expiration date. Our guarantee for the quality and effectiveness of our product is only up until the expiry date stamped on each item.

Please consume Social Enterprise food products within the expiration date and follow the storage conditions on the product labels.

Safety Reminders

Natural products are not automatically allergen-free. Some people may have an inherent sensitivity to certain natural ingredients. If you are unsure if you have any allergies to an ingredient that you have not tried before or if you have sensitive skin, we highly recommend that you do a patch test first before you start using the product regularly.

To perform a patch test, please follow the instructions below:

- 1. Gently cleanse the inner arm area.
- 2. Apply a small amount of product and rub in a small area, approximately the size of a peso.
- 3. Cover with a bandage.
- 4. Do not remove the bandage or wash the area for 24 hours.
- 5. Then check for any sign of irritation, including redness, swelling or blistering. If any irritation is present, do not use the product.

Natural products are generally safer to use during pregnancy than their chemical counterparts.

However, it will always be your best bet to check with your physician if there are any ingredients that you need to stay away from during pregnancy. Similarly, if you have a skin condition or are under medication, it is important for you to consult your doctor and always **check the label** of the product before using it.



Our Wellness Oils are generally safe for use. Each has a concentration that is within the maximum dermal dose. However, the use of products containing essential oils comes with a precaution for some conditions.

Please refer to the table below:

| Wellness Oils | Precautions |
|----------------|---|
| Tea Tree Oil | Should not be used on deep wounds or near the eyes, ears, nose or internally. |
| Eucalyptus Oil | For external use only |
| Rosemary Oil | Rosemary oil should not be used during pregnancy and is unsuitable for people with epilepsy or high blood pressure. |
| Wellness Oils | Precautions |
| Citronella Oil | Citronella oil may irritate sensitive skin and cause dermatitis in certain individuals. |
| Orange Oil | Generally regarded as safe |
| Lavender Oil | Discontinue use in case of allergic reactions |

If you have any of the above conditions or have sensitive skin, please check with your physician before using any product containing essential oils.

Product Returns

Any faulty or less than perfect items will be replaced free of charge, as long as the defect was found to be at our fault. Determination of fault is at our discretion. The item in question must also be returned within the indicated expiry date of the product. The items that are returned due to dissatisfaction must have at least 50%-75% of its content for it to be accepted.

Unsold stock* can be returned for credit within **30 days for non-food items and 7 days for food items from the date of purchase**** as long as it has not been opened/used and is in perfect resalable condition. There is a **P5 restocking fee** per item returned.

Return and exchange of an **incorrect product purchased** will be accepted for replacement within **30 days from the date of purchase**** provided that it is unused and is in resellable condition.

We also give our customers 30 days for non-food items and 7 days for food items from purchase date** to decide on their satisfaction with our product. For any reason you are unhappy with the product*, you may return it to us and have it replaced with a different product or for credit on your account.

*Must be returned to Human Nature at point of purchase at the customer's expense **For online purchase/delivery, we will consider 30 days for non-food items and 7 days for food items from the date of receipt of order.

NOTE: Refunds can only be transferred back through the original mode of payment used. We highly recommend that you accept the returns from your customers if they are requesting a cash refund since we can only refund the amount that the product was purchased from us, hence this will be at the discounted price.



Missing Items

All items picked up or ordered at the branches will be checked in front of you by a staff member to ensure all items are complete. In the event that there is a missing item from your order, this must be reported to the branch within 24 hours from the time of purchase/ delivery. This will be verified by our Customer Service Team and will be processed accordingly. If we receive the report beyond 24 hours, then we can no longer honor the missing item report.

IMPORTANT

Kindly note that Dealers who have become Community Hub Partners or Branch Operators are not covered by the Human Nature Dealership program. The applicable terms and agreement will be based on their contract. As such, uplines and referral fees will only be valid during the duration of their Dealership.

| Dealer | Terms may | ha m | adifiad | without | nrior | notice |
|------------|-----------|--------|---------|----------|-------|--------|
| Dealei | renns may | , be m | oaillea | WIIIIOUI | prior | nonce |