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## **5. MASS MEDIA; GENERAL ADVERTISING**

5.1 PROMOTIONS UTILIZING MASS MEDIA PROHIBITED. You may not use any form of media or other mass communication advertising to promote the Products, including mass communication advertising on the Internet. This includes news stories or promotional pieces on TV shows, newscasts, entertainment shows, internet ads, etc. Products may be promoted only by personal contact or by literature produced and distributed by the Company or by Distributors in accordance with these Policies and Procedures. You may place generic opportunity advertisements in jurisdictions allowing that type of advertisement, but only in accordance with the Policies and Procedures of the Company. 5.2 MEDIA INTERVIEWS You may not promote the Products or opportunity through interviews with the media, articles in publications, news reports, or any other public information, trade, or industry information source, unless specifically authorized, in writing, by the Company. This includes private, paid membership, or “closed group” publications. You may not speak to the media on the Company’s behalf, and may not represent that you have been authorized by the Company to speak on its behalf. All media contacts or inquiries should be immediately referred to the Public Relations Department of the Company by calling 801-610-4176.

5.3 PHONE BOOK ADVERTISING In order to advertise in the yellow pages or list your name in the white pages of a locally circulated directory in your area or via an internet telephone directory, you must have previously attained and currently enjoy active status as a Ruby-level or above, at the time the agreement for that listing is signed. • In the white pages the advertisement is to be limited to two lines containing the words “Limbic Arc, Independent Distributor, John Doe (your name),” and a telephone number. Neither bold print nor display advertisements are allowed. The advertisement must be in the Distributor’s name only. • In the yellow pages the advertisement must be placed under the category of “Wellness” or another Company approved category.

5.4 DISTRIBUTING PROMOTIONAL MATERIALS. All promotional materials, including, but not limited to, flyers and business cards, may be distributed through personal contact only. Promotional material may not be posted in public places, mass mailed or faxed, placed on parked cars, put in mail boxes, or disseminated by any other non-personal contact means.

## **6. TRADE SHOW POLICY**

6.1 TRADE SHOW BOOTHS. In general you may not sell any Products of the Company or promote the Company's opportunity at flea markets, swap meets, bazaars, supermarkets, exercise clubs, athletic leagues and games, malls or any other similar gatherings where the opportunity or Products may be displayed. However, upon the prior written approval of the Company, an Diamond level Distributor may rent a booth or set up an exhibit at a Company approved trade show or convention ("Convention"). If you are a Diamond level Distributor who wants to set up a booth or exhibit at a Convention you must comply with the following requirements:

(a) The Convention theme must be directly related to the Company business;

(b) At least four weeks prior to the Convention, you must submit to the Company a proposal regarding the Convention and obtain prior written approval from the Company;

(c) You may only use Company-produced Advertising Materials. The purchase of a Company produced independent Distributor banner, to display in the booth, is required;

(d) You may not reference the Company in any form of Advertising Material that implies that the Company is participating in the Convention. Instead, any Company-approved advertisement or promotional material must make specific reference to you as an independent Distributor of the Company, including any maps or listings prepared by the sponsor of the Convention;

(e) You may not use the Convention to promote any product, service, or business opportunity other than the Company's business opportunity and Products;

(f) During the Convention you must personally comply with the Policies and Procedures and you are responsible for (i) the actions of every individual who works in the booth at the Convention, (ii) all material distributed at the Convention, and (iii) all other aspects of participation in the Convention; and

(g) In addition to the other remedies provided in the Policies and Procedures, the Company reserves the right to deny future Convention participation for any policy violation at a Convention.

## **7. INTERNET**

7.1 USE OF THE INTERNET IN DISTRIBUTOR BUSINESS. You may use the Internet to promote the Company, including its Products, only if such use is specifically authorized by Sections 7.2 or 7.3 of these Policies and Procedures and is in compliance with all of the provisions of these Policies and Procedures including Sections 2, 3, 4 and 5 of this Chapter 3, as well as the written guidelines for internet use

established by the Company. All other uses of the Internet to promote the Company or its Products or its Sales Compensation Plan are prohibited.

7.2 PERMITTED INTERNET ACTIVITIES. All Distributors may utilize the Internet as follows: (a) You are allowed to utilize Company produced Distributor websites. (b) You may use generic (i) business opportunity websites, (ii) splash pages, or (iii) social media with links to Company websites. These generic pages may not contain the Company's trademarks or other copyrighted material and may not contain information on the Company, its Products or its business, or pictures of Products or corporate facilities/personnel. They also must not contain any false or misleading information. (c) You may use the internet, including social networking sites, blogs, social media and applications, and other sites that have content that is based on user participation and user generated content, forums, message boards, blogs, wikis and podcasts (e.g., Facebook, Twitter, Flickr etc.) to (1) communicate preliminary information about the Company or your involvement with the Company, (2) direct users to a Company Internet Marketing Site and (3) post Company produced Business Support Materials that have been approved by the Company for posting on personal blogs or social networking sites; provided, however, that such communication and use must be (i) incidental to the primary use of such forum, site, blog, board, wiki or podcast or other form of internet use, and (ii) may not be an Internet Marketing Site. The Company has the right to make the determination, in its sole discretion, whether your use of the Internet is permitted under this section or whether such use is a prohibited Internet Marketing Site. Additionally, you must comply with Company published guidelines governing use of the Internet. These guidelines may change from time to time and it is your responsibility to know the current guidelines and comply with them. In case of a violation, in addition to taking disciplinary action against you in accordance with Chapter 6 of these Policies and Procedures, the Company may require you to immediately remove any information or marketing site that is in violation of Company policies.

Examples of Permitted Uses: If you maintain a personal Facebook page where you post a variety of information, you could post information that that you are a Limbic Arc distributor, information about Limbic Arc events you have participated in, and preliminary information about Limbic Arc, and direct readers to a Company Internet Marketing Site for more information. If you maintain a personal blog or social network site, you may blog in a particular post that you are a Distributor of Limbic Arc products, and that others can sign up as Distributors, and to contact you if they are interested in discussing the business with you.

Examples of Non-Permitted Uses: A Facebook page that is primarily devoted to Limbic Arc, that includes posted marketing materials such as videos or before and after photos, or if it is fan page or similar page that utilizes the Company's trademarks, would be considered an Internet Marketing Site, and would be a violation of policy for Distributors. A blog or social network site that is primarily about the Products or opportunity, i.e., that is the focus of your postings and discussions, that is titled with a Limbic Arc trademark or slogan, or utilizes marketing content, would be an Internet Marketing Site, and would be a violation of policy for Distributors.

The foregoing examples are provided for illustration purposes only, and are not intended as an exhaustive list of permitted or non-permitted uses of the Internet or the conditions or factors the Company will consider in determining whether any particular use of the internet is an Internet Marketing Site.

7.4 ADDITIONAL RESTRICTIONS ON INTERNET USE. All Distributor websites, and any other form of internet use allowed by these Policies, including internet video and audio, social media, and other sites that have content based on user participation and user generated content must comply with the following rules: (a) You may not use or distribute replicating websites; (b) You may not include any Company or third party intellectual property or proprietary information in the unique domain names/URL or meta-tags of your websites, on or in any other form of internet use, including but not limited to, tags, links, blog names, social networking sites, social media and applications, and other sites that have content based on user participation and user generated content, forums, message boards, blogs, wikis and podcasts (e.g., Facebook, YouTube, Twitter, Wikipedia, Flickr), or as "wallpaper;" (c) You may not register your website(s) with search engines or web directories using any Company or third-party owned intellectual property or any proprietary information (e.g., trademarks, trade names, trade secrets, and copyrighted material) without written permission from the owner; (d) You may not use sponsored links or pay for placement advertising with internet search engines and web directories; (e) You may promote your websites or pages through one-on-one personal contact only; and (f) You may provide links to your website or pages only from other websites that have been registered with the Company.

7.5 INTERNET VIDEO AND AUDIO. You are prohibited from posting any video or audio content created by, produced by, belonging to or relating to the (i) Company, its Products, Sales Compensation Plan or Distributors, or (ii) you or any third party, on any website unless you have received prior written authorization from the Company or such posting is specifically permitted by this Section 7.5 of this

Chapter 3. This prohibition includes, but is not limited to, video or audio recordings of Company personnel or Company or Distributor sponsored events, meetings, training, or sales presentations.

7.6 INTERNET SELLING. Products may be sold on the internet only through Company websites and may not be sold through Distributor websites of any kind or any other form of internet use, including internet video and audio, social networking sites, social media and applications, and other sites that have content based on user participation and user generated content, forums, message boards, blogs, wikis and podcasts (e.g., Facebook, YouTube, Twitter, Wikipedia, Flickr).

7.7 SPAM. You must comply with all laws regarding the sending of email messages, including the CAN-SPAM Act of 2003, and it is your duty to become and remain informed about the requirements of these laws. You are prohibited from sending unsolicited email regarding your website or Distributorship to individuals who have not specifically requested information regarding the Company's business opportunity or Products. In the event an individual who has formerly agreed to receive email information concerning the business opportunity and/or Products later requests that you cease sending the individual email, you must honor this request immediately.

## **8. LEAD GENERATION SERVICES; NO SPEAKING FEES**

8.1 LEAD GENERATION SERVICES. Before you sell, purchase, or use any lead in the promotion of the business, you must verify that the lead has been properly obtained and is legal for use in the area where you are contacting the identified lead. This includes but is not limited to ensuring the lead's compliance with "Do Not Call" lists in the country, state, or region where the lead's address is located. Any violation of laws related to leads is the sole responsibility of the persons providing and contacting the leads. The person committing the violation must indemnify the Company for any costs or damages arising from regulatory or personal challenges to the use of the lead.

8.2 NO SPEAKING FEES; MEETINGS. You may not charge a fee to speak at any Distributor meeting. However, you may be reimbursed for your reasonable out-of-pocket expenses (e.g., travel, hotel, meals) that you incur in attending and speaking at a meeting. In the event you are putting on a meeting or other function, you may charge a fee to Distributors attending the meeting or other function, but such fee must not be more than is necessary to cover the costs of such meeting or other function.

9 NO RECORDING OF COMPANY EVENTS OR EMPLOYEES. You may record any Company sponsored event, or any speech or other presentation made by an employee or other representative of the Company at any meeting, event or otherwise if it is only for your own private use, and is not posted,

distributed, copied or broadcast in any format or media, and is not shown to any other Distributors, prospective Distributors or customers regardless of the setting. Except for recordings for private use as described in this Section 9, you may not record any Company sponsored event, record any speech or other presentation made by an employee or other representative of the Company at any meeting, event, or otherwise without the prior written consent of the Company

## **CHAPTER 4 SPONSORING**

### **1. BECOMING A SPONSOR**

1.1 REQUIREMENTS. You may only act as a Sponsor if you meet all the requirements and accept all the responsibilities described in the Contract.

1.2 THE PLACEMENT OF NEW DISTRIBUTORS. You may refer Persons to become Distributors of the Company by having them submit a Distributor Agreement to the Company. Upon acceptance by the Company of the Distributor Agreement form, applicants are placed directly below the Sponsor listed on the Distributor Agreement. Although a newly sponsored Distributor may be referred to as part your Downline Organization, this does not create in you any form of ownership interest in that Distributorship or with respect to any information regarding that Distributorship. All Distributors are part of the Network, and the Network and any information regarding the Network are an asset that is owned solely by the Company and not the Sponsor.

1.3 DISTRIBUTION OF COMPANY LEADS. When the Company receives inquiries from individuals concerning the Company's Products or business opportunity, the Company refers these individuals to Distributors according to its discretion.

### **2. RESPONSIBILITIES OF A SPONSOR**

2.1 TRAINING OF DOWNLINE ORGANIZATION. You must supervise, train, support, and have on-going communication with (i) any Distributor that you sponsor, and (ii) your Downline Organization in a manner consistent with the terms of the Contract. Your responsibilities include, but are not limited to: (a) Provide regular retail sales and organizational training, guidance, and encouragement to your Downline Organization; (b) Exercise your best efforts to make sure that all Distributors in your Downline Organization properly understand and comply with the terms and conditions of the Contract and applicable national and local laws, ordinances, and regulations; (c) Intervene in any disputes arising between a customer and any of your Downline Organization and attempt to resolve the disputes

promptly and amicably; (d) Maintain contact with your Downline Organization and be available to answer questions; (e) Provide training to ensure that the Product sales and opportunity meetings conducted by your Downline Organization are conducted in accordance with the Contract, current Company literature, and in accordance with any applicable laws, ordinances, and regulations; (f) Monitor the activities of those you personally sponsor and those in your Downline Organization and work in good faith with the Company to prevent the violation of these Policies and Procedures and manipulation of the Sales Compensation Plan; (g) Supervise and assist your Downline Organization's efforts to sell the Company's Products to retail customers; and (h) Cooperate with the Company regarding investigations of your Downline Organization, and, upon request from the Company, provide all relevant information pertaining to any investigation.

2.2 LINE SWITCHING. You may not encourage, entice, or otherwise assist another Distributor to transfer to a different Sponsor. To do so constitutes an unwarranted and unreasonable interference with the contractual relationship between the Company and its Distributors. This prohibition includes, but is not limited to, offering financial or other tangible incentives for another Distributor to terminate an existing Distributorship and then re-sign under a different Sponsor. You agree that a violation of this rule inflicts irreparable harm on the Company and agree that injunctive relief is an appropriate remedy to prevent that harm. The Company may also impose penalties on any Distributorship that solicits or entices an existing Distributor to change lines of sponsorship.

2.3 CORRECT INFORMATION ON COMPANY FORMS. You may not encourage or assist any Distributor or prospective Distributor to provide false or inaccurate information in their Distributor Agreement or any other Company form.

2.4 YOUR DOWNLINE ORGANIZATION'S COMMUNICATION WITH THE COMPANY. You may not discourage, attempt to prevent or prevent, for any reason, any Distributor from directly contacting the Company, or the Company from directly contacting any Distributor. It is your duty to facilitate communication between any Distributor in your Downline Organization and the Company at the request of a Distributor in your Downline Organization or at the request of the Company.

### **3. INTERNATIONAL BUSINESS**

3.1 INTERNATIONAL BUSINESS. Subject to the Contract, you may conduct business activity as a Distributor in any Authorized Country. If the country is an Unopened Country, then you are limited to providing business cards and conducting, organizing or participating in meetings where the number of

attendees at any given meeting, including you, does not exceed five. You may not use flyers, cold calling, mass emailing, advertising or mass soliciting of any kind in order to promote attendance at these meetings. In Unopened Countries you may not: (a) Import or facilitate the importation of, sell, gift, or distribute in any manner, Company Products or Product samples; (b) Place any type of advertisement or distribute any promotional materials regarding the Company, its Products or the opportunity, except for any Company Approved Business Support Materials that the Company may have specifically authorized for distribution in a designated Unopened Country; (c) Solicit or negotiate any agreement for the purpose of committing a citizen or resident of an Unopened Country to the opportunity, a specific Sponsor or specific line of sponsorship. Furthermore, Distributors may not sign up citizens or residents of Unopened Countries in an Authorized Country or by using Distributor Agreement forms from an Authorized Country, unless the citizen or resident of the Unopened Country has, at the time of sign up, permanent residence and the legal authorization to work in the Authorized Country. It is the Sponsor's responsibility to ensure compliance with residency and work authorization requirements. Membership or participation in, or ownership of a corporation, partnership or other legal entity in an Authorized Country does not by itself fulfill the residency or legal authorization to work requirements. If a Participant in a Distributorship fails to provide verification of residency and work authorization when requested by the Company, the Company may, at its election, declare a Distributor Agreement void from its inception; (d) Accept money or other consideration, or be involved in any financial transaction with any prospective Distributor either personally or through an agent, for purposes relating to the Company's Products or the opportunity, including renting, leasing or purchasing facilities for the purpose of promoting or conducting Company-related business, or (e) Promote, facilitate or conduct any type of activity which exceeds the limitations set forth in these Policies and Procedures or which the Company, in its sole discretion, deems to be contradictory to the Company's business or ethical interests in international expansion.

**3.2 MEETINGS IN AN AUTHORIZED COUNTRY WITH ATTENDEES FROM AN UNOPENED COUNTRY.** If you have a meeting in an Authorized Country with people who are visiting from an Unopened Country, those people visiting from the Unopened Country are subject to all the restrictions that arise out of their residence or citizenship in an Unopened Country. This means, among other things, that they may not submit a Distributor Agreement to become Distributors or purchase Product for import (including for personal use).

**3.3 THE INTERNATIONAL SPONSOR AGREEMENT** If you wish to conduct business in an Authorized Country that is not your Resident Country, you must comply with all applicable laws of that specific Authorized Country, including but not limited to, all immigration, visa, and registration requirements. In addition, prior to conducting any Business Activity in an Authorized Country that is not your Resident Country, you must sign an International Sponsor Agreement if you did not already sign one when you submitted your Distributor Agreement. The Company, in its sole discretion, reserves the right to reject or revoke your authorization as an International Sponsor in any Authorized Country. When you sign an International Sponsor Agreement; the Company grants to you the right to sponsor new Distributors in an Authorized Country other than your Resident Country. The International Sponsor Agreement does not grant to you the right to market Products in any Authorized Country other than your Resident Country.

**3.4 CHINA.** The Company's business model in China is different from the business model used in any other country. China is not an Authorized Country and before conducting business there you must know and comply with all the current rules and conditions that the Company has in place for operating in China.

**3.5 EXPRESS PROHIBITION OF PRE-MARKETING IN CERTAIN COUNTRIES.** The Company reserves the right to designate certain countries wherein all pre-marketing conduct is expressly prohibited. It is your responsibility, prior to each instance of conducting pre-market opening activities in an Unopened Country, to verify through current contact with the Company that the country in which you plan to conduct those activities is not a prohibited country.

**3.6 REMEDIES.** In addition to other remedies allowed by the Contract, if you fail to comply with any provision of Section 3 in this Chapter 4, you may be prohibited from participating in the affected international market for a period deemed appropriate by the Company and may be subject to the remedies set forth in Chapter 6. This prohibition could include, but is not limited to the following: restricting your right to sponsor new Distributors in the affected international market; prohibiting the payment of Bonuses to you and your upline on volume you have generated by your Downline Organization in the respective international market. In all markets, for a period of up to one year, you may not be entitled to privileges traditionally afforded Distributors such as recognition at corporate events or in corporate literature.

3.7 PETITION FOR PERMISSION TO PARTICIPATE If you have been unable to participate in a market because of non-compliance with Section 3 of this Chapter 4, you must petition the Company in writing for written permission to participate in the market after the period of prohibition has passed. 3.8 NO WAIVER The provisions of Section 3 of this Chapter 4 do not waive the Company's rights as set forth elsewhere in these Policies and Procedures or in the Contract.

## **CHAPTER 5**

### **RESTRICTIVE COVENANTS**

1 OWNERSHIP OF NETWORK. You acknowledge and agree that: (i) the Network is protected as a valuable, proprietary, trade secret asset that is owned by the Company; (ii) the Network has been developed for the exclusive benefit of the Company and Distributors as they promote authorized business activities and Products of the Company through the Network; (iii) the protection of the Network is fundamental to the ongoing success of both the Company and its Distributors; and (iv) a violation of your obligations under this Chapter 5 inflicts irreparable harm to the Network, to the Company and to fellow Distributors. Based on the foregoing, you agree that the breach of your obligations under Chapter 5 of these Policies and Procedures would constitute an unwarranted and unreasonable interference with the contractual relationship between the Company, its Distributors and customers, and damage the competitive business interest and integrity of the Company and Network.

#### 2.1 NON-SOLICITATION.

(a) Sale of Third-Party Products and Services. You may not, in any manner, directly or indirectly, promote, market or sell the products or services of another Business Entity or Individual to the Network unless you have a pre-existing business relationship with that Distributor prior to one of you becoming a Distributor. For example, if you own a hair salon, and as a Distributor you sponsor one of your customers, who then becomes a Distributor, then you may continue selling your customer your services and hair products from your salon. Notwithstanding the foregoing, you may not offer third-party products, services or opportunities in conjunction with the sale of Products, or package third-party products, services or opportunities with Products, or offer or promote third-party products, services or opportunities at Company or Distributor meetings, calls or any other Company-related functions without the prior written consent of the Company.

(b) Recruit to another Direct Sales Company. You may not, in any manner, directly or indirectly, recruit, solicit, or sponsor any Distributor or customer, to (i) form a relationship with, (ii) promote, sell or purchase the products or services of, (iii) participate as a salesperson of, (iv) or otherwise associate with, a Direct Sales Company, or encourage any Distributor or customer to do so or to terminate their relationship with the Company.

(c) Survival of Obligation. Your obligations under this Subsection survive for a period of two years from the date of your resignation, termination, transfer or other change in ownership status of your Distributorship. (d) Injunctive Relief. In addition to other compensatory damage awards to the Company, temporary and permanent injunctive relief is an appropriate remedy to prevent further damage to the Network and the Company.

## 2.2 EXCLUSIVITY

(a) You acknowledge and agree that a Distributor or Distributorship, and any Person who has a Beneficial Interest in the Distributorship (including spouses and Co-habitants), which has achieved the pin level of Ruby or higher, is being compensated, publicly recognized and otherwise promoted by the Company as a key Distributor leader. As a Distributor with a Ruby or higher pin level, you are reasonably expected to exclusively sell Company Products, train Distributors in your Downline Organization, and promote the Company's business. Therefore, as a condition to receiving ongoing compensation in your Downline Organization, and recognition as a Ruby-level or higher leader at Company events, you may not be engaged in any Business Development Activity for any other Direct Sales Company.

(b) If you engage in Business Development Activity for any other Direct Sales Company while you are a Distributor with a pin level of Ruby or higher, then your Distributorship will not be eligible to receive any Bonus on your Downline Organization during any period in which you, your spouse, your Co-habitant, or any Person with a Beneficial Interest in your Distributorship, (i) engage in any Business Development Activity, or (ii) maintain a Beneficial Interest in any form with respect to such Direct Sales Company, regardless of the number of Distributors in your Downline Organization.

(c) Within 5 business days of the first engagement in any Business Development Activity for any other Direct Sales Company, you agree to notify the Company that you, your spouse, your Co-habitant, or any Person with a Beneficial Interest in your Distributorship, is engaged in such Business Development Activity. You further agree that upon engaging in such Business Development Activity, you will no longer be eligible to Bonuses. You further agree that you (i) will be liable to refund to the Company any such

Bonuses paid to you during any period following your engagement in any such Business Development Activity whether or not you provide the notice to the Company as required by this paragraph (c), and (ii) the Company will have the right to recover any such amount by offsetting such liability against any other Bonuses, past, present or future, that may be payable to you under the Sales Compensation Plan. Failure to notify the Company of your engagement in any Business Development Activity for any other Direct Sales Company will be considered a violation of these Policies and Procedures and may result in other action being taken by the Company, including termination of your Distributorship.

2.3 CONFIDENTIAL INFORMATION. As a result of your position as a Distributor, you have access to Confidential Information that you acknowledge to be proprietary, highly sensitive and valuable to the Company's business, which information is available to you solely and exclusively for purposes of furthering the sale of Company Products and prospecting, training and sponsoring third parties who wish to become Distributors, and to further build and promote your business. You and the Company agree and acknowledge that, but for your agreement of confidentiality and nondisclosure, the Company would not make Confidential Information available to you. During any term of the Distributor Agreement, and for a period of four years after the termination or expiration of the Distributor Agreement, you will not, for any reason, on your own behalf, or on behalf of any other Person:

- Disclose any Confidential Information related to or contained in the Network to any third party directly or indirectly;
- Disclose, directly or indirectly, the password or other access code to the Network;
- Use the Confidential Information to compete with the Company, or for any purpose other than promoting the Company;
- Solicit any Distributor or customer of the Company or of the Network, or in any manner attempt to influence or induce any Distributor or customer of the Company, to alter their business relationship with the Company;
- Use or disclose to any Person any Confidential Information related to or contained in the Network that was obtained while your Distributor Agreement was in effect; or
- Recruit or attempt to recruit an existing Distributor for another Direct Sales Company. Upon non-renewal, resignation or termination of your Distributorship, you will promptly destroy or return to

the Company all Confidential Information. The obligations of this Section 1.3 will survive the termination or expiration of the Distributor Agreement.

**2.4 CONFIDENTIALITY OF DISTRIBUTORSHIP INFORMATION.** As a result of your position as a Distributor, you may, at the sole discretion of the Company, be provided access to information about other Distributorships and their Downline Organizations for the sole purpose of allowing you to provide business support to these Distributorships and their Downline Organizations. This information is highly confidential and you may not disclose information about a Distributorship and his Downline Organization to other Distributors or to any other party. By accessing such information, you expressly agree to these restrictions and acknowledge that, but for your agreement of confidentiality and nondisclosure, the Company would not make such information about other Distributorships and their Downline Organizations available to you.

**2.5 NON-DISPARAGEMENT.** In consideration of the Company's recognition, Bonuses, and other compensation that you receive as a Distributor, you will not disparage the Company, or any other company or person, including but not limited to other Distributors, the Company's Products, the Sales Compensation Plan, the Policies and Procedures or Company employees. Disparagement may result in termination of your Distributorship.

**2.6 REMEDIES.** You acknowledge that the Company would suffer irreparable harm as a result of any unauthorized disclosure or use of Confidential Information, including the Network, or recruiting current Distributors for another Direct Sales Company in violation of Section 1.1 of this Chapter 5, and that monetary damages are insufficient to compensate the Company for such harm. Therefore, if you are in breach of any of the requirements of this Chapter 5, the Company is entitled to an injunction or temporary restraining order without prior notice to you, restraining any unauthorized disclosure or use of Confidential Information, which relief may be in addition to any other available legal remedy, including damages. In any such action, if the Company prevails, you agree that you will reimburse the Company for its costs and reasonable attorneys' fees incurred in connection with taking the necessary legal action. As to the Company, you waive all bonding requirements otherwise applicable to a temporary restraining order and/or Injunction.

**2.7 ENFORCEABILITY.** In the event that any provision of this Chapter 5 should ever be deemed or adjudged by a court of competent jurisdiction or an arbitrator with proper jurisdiction, to exceed the limitations permitted by applicable law, then the remaining provisions will nevertheless be valid and

enforceable to the maximum extent allowable as determined by such court or arbitrator, and such provisions will be reformed to the maximum allowable limitations as determined by such court or arbitrator. The remainder of the prohibitions and protections in this Chapter 5 will remain in full force and effect.

## **CHAPTER 6**

### **ENFORCEMENT OF CONTRACT**

**1. THE CONTRACT.** You agree that the relationship between you and the Company is based entirely on the written Contract. The Contract may be amended by the Company as provided in these Policies and Procedures. You may not amend the Contract unless the amendment is in writing and signed by you and the Company. Neither you nor the Company may claim that the Contract (i) has been altered or amended by any practice or course of dealing or course of action, (ii) has been modified or amended verbally by an officer or employee of the Company, or (iii) that there is a quasi-contract or an implied in fact contract between you and the Company.

**2. ACTS OF PARTICIPANTS IN A DISTRIBUTORSHIP.** The acts of any Participant, spouse, partner or agent of a Distributor will be considered to be the acts of the Distributorship and subject to the terms and conditions of the Contract.

#### **3. PROCEDURES FOR INVESTIGATION, DISCIPLINE AND TERMINATION**

**3.1 REPORTS OF ALLEGED VIOLATIONS** All reports of violations must be in writing and sent to the attention of the Company's Distributor Compliance Review Committee (DCRC) by an individual who has personal knowledge of the alleged violation. The Company may also investigate an alleged violation of which it becomes aware of through its own independent resources or internal investigations. The Company may take action on its internal investigations at any time and is not bound by the time limits set forth in Section 3.2 of this Chapter 6.

**3.2 TIME LIMIT FOR REPORTS OF VIOLATIONS IN ORDER TO PREVENT STALE CLAIMS FROM DISRUPTING THE BUSINESS ACTIVITIES OF DISTRIBUTORSHIPS AND THE COMPANY, THE COMPANY WILL NOT TAKE ACTION ON ANY ALLEGED VIOLATION OF THE TERMS AND CONDITIONS OF THE CONTRACT NOT SUBMITTED IN WRITING TO THE COMPANY'S DCRC, WITHIN TWO YEARS OF THE FIRST OCCURRENCE OF THE ALLEGED VIOLATION. ALLEGED VIOLATIONS WILL BE REFERRED TO AS "DISPUTES," WHICH IS FURTHER DEFINED IN THE GLOSSARY OF DEFINED TERMS IN ADDENDUM A.**

**3.3 BALANCE OF RIGHTS OF PRIVACY.** The Company's investigative procedures and Dispute resolution process is intended to balance your rights of privacy and the rights of other Distributors and the rights of the Company. Therefore, until the Dispute has been submitted to arbitration, all information and evidence received by the Company will be released only to you and other Distributors involved in the Dispute as the Company deems necessary. Before releasing any information, the Company will consider (i) the complexity of the Dispute; (ii) the duty to balance privacy rights and disclosure obligations. If the Dispute is referred to arbitration, all information and evidence will be made available in accordance with the rules and procedures for arbitration of Disputes described in Chapter 7.

**3.4 PROCEDURE.** Your rights under the Contract depend on you meeting all of your obligations under the Contract. If the Company determines that you have breached the terms of the Contract, then based on the nature of the Dispute, the Company, in its sole discretion, may proceed as follows: (i) immediately terminate your Distributorship or take any other appropriate action as provided in Section 3.7 of this Chapter 6; (ii) proceed directly to arbitration in accordance with Chapter 7, or (iii) process the alleged Dispute according to the following procedures: (a) Written Notice. You will receive written notice from the Company that you are or may be in violation of the Contract. (b) Responses and Company Prohibitions. You will have 10 business days from the date of the written notice during which you may present in writing all the information that you consider relevant to the alleged Dispute. You may provide information about individuals that have relevant information, together with their names and addresses, other appropriate contact information, and copies of all relevant documents. If you fail to respond to the written notice or fail to provide all relevant facts and information, the Company may take action that it deems appropriate. The Company has the right to prohibit the activities of your Distributorship (placing Product orders, sponsoring, receiving Bonuses, etc.) from the time the written notice is sent you until a final decision issued. (c) DCRC. The Company will review any information submitted by you within the 10-day period or by collateral sources and any information that the Company has independently discovered. The DCRC will make a final decision regarding the Dispute and the action that the Company will take, if any, and will send you a copy of the decision of the DCRC. The Company may, at its sole option, send a copy of the decision of the DCRC to other interested parties.

**3.5 DISTRIBUTOR COMPLIANCE APPEALS COMMITTEE (DCAC).** If the Company takes immediate action as provided in Section 3.7 of this Chapter 6, or the DCRC has issued a decision regarding the Dispute, then you will have 10 business days from the date of the written notice to submit in writing your appeal to the DCAC. Your written notice should include a description of your objection to the Company's

immediate action or the DCRC decision. Within 90 days of receipt of your written 24 Enforcement of Contract 6 notice, the DCAC will review your appeal and provide written notice (i) of its final decision, (ii) that its review will require additional time, or (iii) that the matter should proceed directly to arbitration under Chapter 7. If the DCAC has decided that the matter should proceed directly to arbitration, and you do not desire to participate in the arbitration, then you will still be bound by the decision in the arbitration. When the DCAC has made a final decision, it will send you written notice and you will have 60 days from the date of the DCAC decision to request arbitration of the DCAC decision.

3.6 COMPANY ACTIONS FOR BREACH OF CONTRACT. Once the Company determines that a breach of the Contract has occurred, the Company may, in its sole discretion, terminate your Contract. In addition to, or in lieu of terminating your Contract, the Company may take any other action it deems appropriate, including any or all of the following: (a) Notify you in writing of the Company's concerns and of the Company's intent to discontinue your rights under the Contract if your non-performance continues; (b) Suspend your rights under the Contract; (c) Monitor your future performance over a specified period of time; (d) Identify specific actions you must take to correct your non-performance and require you to provide the Company with a written description of what you intend to do to meet your Contractual obligations; (e) Stop performing the Company's obligations under the Contract and suspend your privileges under the Contract, including, without limitation, terminating or suspending your right to receive awards, terminating your right to be recognized at corporate events or in corporate media (publications, videos, etc.), terminating your right to participate in Company sponsored events or Distributor sponsored events, terminating your right to place orders for Company Products, terminating your right to receive promotions within the Sales Compensation Plan, or terminating your right to participate as an International Sponsor; reducing your pin title and terminating your right to receive Bonuses on volumes on one or more levels of your Downline Organization; terminating your status or eligibility to be recognized and compensated under the Sale Compensation Plan; (f) Reduce the payment of all or any part of your Bonuses you have earned from sales made by you or all or any part of your Downline Organization; (g) Reassign all or part of your Downline Organization to a different Sponsor; (h) Recover from your Distributorship any damages caused by the breach; (I) Take any action that the Company deems appropriate to protect the Company and its Network; and (j) Seek injunctive relief or any other remedies available by law.

3.7 IMMEDIATE ACTION. If the Company determines, in its sole discretion, that a Dispute requires immediate action, or the Company has previously notified you that it will take immediate action for

violations or actions similar to those described in such notice, then the Company may take any immediate action or remedy that it deems appropriate, including termination of your Distributorship, or your right to receive any Bonuses. The Company will provide you with written notice of its action. You will have 10 business days to appeal the Company's action as provided in this Chapter 6.

3.8 REMEDIES. The Company reserves the right, at its sole discretion, to exercise any remedy available to it. Any failure or delay by the Company in exercising such remedies will not operate as a waiver of such remedies.

3.9 TERMINATION OF YOUR CONTRACT. (a) Subject to the conditions of this Section 3.9 of Chapter 6, (i) you may terminate your Distributorship at any time by providing the Company with a signed written notice of termination; (ii) the Company may terminate your Distributorship as provided in this Chapter 6; and (iii) the Company may terminate your Distributorship without notice if you have not engaged in any Business Activity on your account for a period of 12 or more consecutive months. (b) If you terminate your Distributorship, then termination becomes effective on whichever is later: (i) the date the Company receives your written notice of termination, or (ii) the date specified in your written notice. (c) Termination of your Distributorship results in the loss of all rights and benefits as a Distributor, including the permanent loss of your Downline Organization. After your Distributorship has been terminated, whether by you or the Company, you may apply to become a Distributor again by submitting to the Company a new Distributor Agreement. The requirement that you must submit a new Distributor Agreement is mandatory regardless of whether you are applying to be a Distributor under your former Sponsor or a new Sponsor. (d) Upon termination of a Distributorship for whatever reason, if there is any pending investigation of, and/or unresolved legal issue related to the Distributorship, which includes any alleged breach or actual breach of the Contract, then the Downline Organization may not roll up until all pending investigations and/or legal issues have been resolved by the Company and all penalties have been fully satisfied. (e) The obligations of the Contract described in Chapter 5 will survive the cancellation, termination or expiration of the Contract. Any other provisions, or parts thereof, which, by their nature, should survive cancellation, termination, or expiration will also survive

## **CHAPTER 7 ARBITRATION**

1. WHAT IS MANDATORY ARBITRATION. In order to expedite the resolution of all Disputes, the Company has instituted a mandatory arbitration procedure. Arbitration is the referral of a Dispute to an impartial third party selected by you, the Company and any other Distributors involved in the Dispute.

An arbitrator acts as a judge, listens to the parties' evidence, and renders a binding decision. The arbitrator's decision is a judgment that is enforceable in a court of law. The object of arbitration is the final disposition of differences of the parties in a faster, less expensive, and perhaps less formal manner than is available in ordinary court proceedings.

2. ARBITRATION IS MANDATORY AND BINDING AS TO ALL DISPUTES YOU AND THE COMPANY AGREE THAT MANDATORY AND BINDING ARBITRATION IS THE SOLE MEANS TO RESOLVE ANY AND ALL DISPUTES. YOU WAIVE ALL RIGHTS TO JURY OR COURT TRIALS TO RESOLVE A DISPUTE. THE ARBITRATION IS FINAL AND THE DECISION CANNOT BE APPEALED. UTAH WILL BE THE EXCLUSIVE VENUE FOR ARBITRATION OF ALL DISPUTES.

3. DEFINITION OF A DISPUTE The definition of a "Dispute" is found in the Glossary of Defined Terms in Addendum A. For your convenience, the definition is also provided in this Section 3: A "Dispute" means "ANY AND ALL PAST, PRESENT OR FUTURE CLAIMS, DISPUTES, CAUSES OF ACTION OR COMPLAINTS, WHETHER BASED IN CONTRACT, TORT, STATUTE, LAW, PRODUCT LIABILITY, EQUITY, OR ANY OTHER CAUSE OF ACTION, (I) ARISING UNDER OR RELATED TO THIS CONTRACT, (II) BETWEEN YOU AND OTHER DISTRIBUTORS ARISING OUT OF OR RELATED TO A DISTRIBUTORSHIP, OR YOUR BUSINESS RELATIONSHIPS AS INDEPENDENT CONTRACTORS OF THE COMPANY, (III) BETWEEN YOU AND THE COMPANY, (IV) RELATED TO THE COMPANY OR ITS PAST OR PRESENT AFFILIATED ENTITIES, THEIR OWNERS, DIRECTORS, OFFICERS, EMPLOYEES, INVESTORS, OR VENDORS, (V) RELATED TO THE PRODUCTS, (VI) REGARDING THE COMPANY'S RESOLUTION OF ANY OTHER MATTER THAT IMPACTS YOUR DISTRIBUTORSHIP, OR THAT ARISES OUT OF OR IS RELATED TO THE COMPANY'S BUSINESS, INCLUDING YOUR DISAGREEMENT WITH THE COMPANY'S DISCIPLINARY ACTIONS OR INTERPRETATION OF THE CONTRACT."

4. MEDIATION. Mediation is a process whereby a neutral third party attempts to resolve a Dispute between contending parties. The object of the mediator is to increase the parties' mutual understanding of the Dispute and persuade them to adjust their positions towards each other and hopefully reconcile the Dispute. If all the parties that participated in the DCRC proceeding agree to mediation, then the Company will facilitate a mediation that will be held in Salt Lake City, Utah at the offices of the Company's outside counsel. The mediation will be conducted in the English language. All fees and costs of the mediation will be borne equally by the parties in the mediation. If not all the parties agree to the mediation, then the Dispute will be submitted to arbitration as provided in this Chapter 7. 5 REQUEST FOR ARBITRATION For easy reference, all parties that participated in the DCAC proceeding, and that will

participate in the arbitration, including the Company, may be referred to as “Participants” in this Chapter 7. Within 60 days from the date of the DCAC’ decision, any Participant, who is not satisfied with the DCRC’ decision, will notify, in writing, all the other Participants in the DCAC proceeding that the Participant requests that the Dispute be referred to arbitration before a neutral third party arbitrator (“Petition for Arbitration”). Failure to submit a timely Petition for Arbitration will constitute acceptance of the DCAC decision and the Participant agrees to abide by the terms of the decision. Within a reasonable time after receipt of the Petition for Arbitration, the Company, through its outside counsel, will contact all the Participants regarding an arbitration date and provide a list of potential arbitrators.

## **6. ARBITRATION PROCEDURE**

6.1 RULES OF ARBITRATION; LOCATION The arbitration will be conducted by a professional arbitrator that has been agreed to by the Participants. The arbitration will be conducted in accordance with the Utah Uniform Arbitration Act. The arbitration will be held Utah in the offices of Company or Company’s outside counsel.

6.2 DISCOVERY. The arbitrator will have the discretion to order a pre-arbitration exchange of information by the Participants, including but not limited to, production of requested documents, exchange of summaries of testimony of proposed witnesses, and the depositions of witnesses and the Participants. Additionally, subject to the approval of the selected arbitrator, the Participants may submit a pre-arbitration brief outlining the legal causes of action and factual background.

6.3 DATE OF ARBITRATION. Unless all the Participants agree to extend the date of the arbitration, the arbitration will take place no later than six months after the date of the Petition for Arbitration. 6.4 LANGUAGE The arbitration will be conducted in the English language, but at the request and expense of the requesting Participant, documents and testimonies will be translated into the requesting Participant’s preferred language.

6.5 NO CLASS ACTIONS. No Dispute will be adjudicated, in arbitration or any other judicial proceeding, as a class action.

6.6 PERMITTED ATTENDEES. Each Participant in the arbitration is limited to the attendance of the Participant, those individuals appearing on the Participant’s Distributor Agreement, and no more than two attorneys per Participant.

6.7 FEES AND EXPENSES OF ARBITRATOR. All fees and expenses of the arbitrator will be borne equally by the Participants in the arbitration.

6.8 AWARDS.

(a) The arbitration will be final and binding. It will be a full resolution of all claims and disputes between the Participants in the arbitration. Judgment upon the award rendered by the arbitrator may be entered in any court within the state of Utah. All upline Distributors and Downline Organizations of the Participants will be bound by the final arbitration award.

(b) Any award by the arbitrator will be in writing and based on the application of the strict rules of law to the facts before the arbitrator. The arbitrator is authorized to award a Participant any sums that are deemed proper for the time, expense, and trouble of arbitration including arbitration fees and attorney's fees. Punitive damages, however, will not be allowed in any Dispute. NEITHER ANY PARTICIPANT NOR THE COMPANY, NOR ANY OF THE COMPANY'S RELATED ENTITIES, OFFICERS, DIRECTORS, EMPLOYEES, INVESTORS, OR VENDORS, WILL HAVE ANY LIABILITY FOR ANY PUNITIVE, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES, INCLUDING LOSS OF FUTURE REVENUE OR INCOME, OR LOSS OF BUSINESS REPUTATION OR OPPORTUNITY RELATING TO THE BREACH OR ALLEGED BREACH OF THE CONTRACT OR FOR ANY ACT, OMISSION, OR OTHER CONDUCT ARISING OUT OF THE PARTICIPANT'S STATUS AS AN INDEPENDENT CONTRACTOR AND DISTRIBUTOR OF THE COMPANY'S PRODUCTS.

6.9 CONFIDENTIALITY. All arbitration proceedings will be closed to the public and confidential. Except as may be required by law and the Company's use of an arbitrator's award as precedence for deciding future Disputes, neither a Participant nor the arbitrator may disclose the existence, content, or results of any arbitration without the prior written consent of all the Participants.

6.10 ENFORCEMENT OF AWARD; INJUNCTIVE RELIEF. Notwithstanding this arbitration policy, any Participant may apply to a court of competent jurisdiction in the county and state of Utah in the United States, or in any other jurisdiction as necessary (i) to enforce an arbitration award or the injunctive relief granted by an arbitrator, or (ii) to seek a temporary restraining order, preliminary injunction, or other injunctive relief before, during the pendency of, or after a decision in any arbitration proceeding. The institution of any action in a court for equitable relief, or to enforce an arbitration award or order, will not constitute a waiver of the obligation of any Participant to submit any Dispute to arbitration. 6.11

**SURVIVAL** Your agreement to arbitrate will survive any termination or expiration of the Contract or any other agreements between you and the Company.

**7 THIRD PARTY CLAIMS.** In order to protect the Company, its assets, and its reputation from claims or disputes created by outside (non-Distributor) third parties, the Company requires the following: if any Distributor is charged with any infringement of any proprietary right of any outside third party (who is not a Distributor) arising from any of the Company's proprietary assets, or if the Distributor becomes the subject of any claim or suit related to that Distributor's business-related conduct or any other action that directly or indirectly negatively affects or puts the Company, its reputation, or any of its tangible or intangible assets at risk, the affected Distributor will immediately notify the Company. The Company may, at its own expense and upon reasonable notice, take whatever action it deems necessary (including, but not limited to, controlling any litigation or settlement discussion related thereto) to protect itself, its reputation, and its tangible and intangible property. The Distributor will take no action related to that claim and suit, unless the Company consents, which consent will not unreasonably be withheld

## **CHAPTER 8**

### **GENERAL TERMS**

#### **1. GENERAL TERMS**

**1.1 CONTRACT CHANGES.** The Company expressly reserves the right to make any modifications to the Contract upon 30 days notice by publication on the Company's websites, normal channels of communication with Distributors, or as provided in Section 1.6 of this Chapter 8. You agree that 30 days after such notice, any modification becomes effective and is automatically incorporated into the Contract between you and the Company as an effective and binding provision. By continuing to act as a Distributor, engaging in any Business Activity, or accepting any Bonus after the modifications have become effective, you acknowledge acceptance of the new Contract terms.

**1.2 WAIVERS AND EXCEPTIONS.** The Company reserves the right, in its sole discretion, to waive a breach of, or make an exception to, any provision of the Contract. Any waiver by the Company of a breach of any provision of the Contract or any exception made by the Company of any provision of the Contract must be in writing and will not be construed as a waiver of any subsequent or additional breach or an exception for any other Person. Any right or prerogative of the Company under the Contract may be

exercised at the Company's sole discretion. Any exception made by the Company, or any failure or delay by the Company in exercising any right or prerogative under the Contract will not operate as a future exception or waiver of that right or prerogative.

1.3 INTEGRATED CONTRACT. The Contract is the final expression of the understanding and agreement between you and the Company concerning all matters touched upon in the Contract and supersedes all prior and contemporaneous agreements of understanding (both oral and written) between the parties. The Contract invalidates all prior notes, memoranda, demonstrations, discussions and descriptions relating to the subject matter of the Contract. The Contract may not be altered or amended except as provided in these Policies and Procedures. The existence of the Contract may not be contradicted by evidence of any alleged prior contemporaneous oral or written agreement. Should any discrepancy exist between the terms of the Contract and verbal representations made to you by any Company employee or another Distributor, the express written terms and requirements of the Contract will prevail.

1.4 SEVERABILITY. Any provision of the Contract that is prohibited, judicially invalidated, or otherwise rendered unenforceable in any jurisdiction is ineffective only to the extent of the prohibition, invalidation, or unenforceability in that jurisdiction, and only within that jurisdiction. Any prohibited, judicially invalidated or unenforceable provision of the Contract will not invalidate or render unenforceable any other provision of the Contract, nor will that provision of the Contract be invalidated or rendered unenforceable in any other jurisdiction.

1.5 GOVERNING LAW/JURISDICTION Utah will be the exclusive venue for arbitration or any other resolution of any Disputes. The place of origin of the Contract is the State of Utah, USA, and the Contract will be governed by, construed in accordance with, and interpreted pursuant to the laws of the State of Utah, USA, without giving effect to its rules regarding choice of laws. The exclusive venue for any and all Disputes, including the validity of provisions regarding arbitration, place of venue, and jurisdiction, will be in Salt Lake County, Utah. You consent to the personal jurisdiction of any court within the State of Utah and waive any objection to improper venue.

1.6 NOTICES. Unless otherwise provided in the Contract, any notice or other communications requested or permitted to be given under the Contract will be in writing and will be delivered personally, transmitted by facsimile or sent by first class, certified (or registered) or express mail, postage prepaid. Unless otherwise provided in the Contract, notices will be deemed given when delivered personally, or if transmitted by facsimile, one day after the date of that facsimile, or if mailed, five days after the date of

mailing to the address of the Company's headquarters at 1172 West 700 North, Lindon, Utah 84042 or to the Distributor's address as provided on the Distributor Agreement, unless notice of an address change has been received by the Company.

1.7 SUCCESSORS AND CLAIMS. The Contract will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

1.8 HEADINGS. The headings in the Contract are for convenience of reference only and will not limit or otherwise affect any of the terms or provisions of the Contract.

1.9 INTERNAL REFERENCES. All references to Sections or Chapters herein refer to Sections or Chapters of these Policies and Procedures unless otherwise indicated.

1.10 PLURALITY AND GENDER. All words will be deemed to include the plural as well as the singular and to include all genders.

1.11 TRANSLATIONS. In the event that any discrepancies exist between the English version of the Contract and any translation thereof, the English version will be controlling.

## **DEFINED TERMS**

**ADVERTISING MATERIAL** Any electronic, printed, oral presentation or other material used in the offer or sale of Products, recruitment of prospective Distributors, or training of Distributors, which makes reference to the Company, the Products, the Sales Compensation Plan, or the trade names or logos, and may include Personalized Advertising Material.

**AUTHORIZED COUNTRY** Any country designated in writing by the Company as officially opened for business for all Distributors.

**BENEFICIAL INTEREST** As to Distributorships: Any interest whatsoever, whether it is direct or indirect, including but not limited to any ownership interest, rights to present or future benefits, financial or otherwise, rights to go on Company sponsored trips and other events, rights to purchase Products at wholesale prices, recognition of any type or other tangible or intangible benefits associated with a Distributorship. An individual has a Beneficial Interest in the Distributorship of a spouse or Co-habitant. If a Person is or should be listed on the Business Entity Form of a Business Entity he is considered to have a Beneficial Interest in such Business Entity's Distributorship. Any individual with a Beneficial Interest in a Business Entity will be deemed to have Beneficial Interest in the Distributorship. As to a

**Direct Sales Company:** Any interest whatsoever, whether it is direct or indirect, including but not limited to any ownership interest, rights to present or future benefits, financial or otherwise, rights to go on Direct Sales Company sponsored trips and other events, rights to purchase the products of a Direct Sales Company at wholesale prices, recognition of any type or other tangible or intangible benefits associated with a distributorship of a Direct Sales Company. An individual has a Beneficial Interest in a Direct Sales Company distributorship of (i) a spouse or Co-habitant, or (ii) a Business Entity if the individual has a Beneficial Interest in the Business Entity.

**BUSINESS ACTIVITY** Any activity that benefits, promotes or assists the business of a Distributorship, including signing a Distributor Agreement, purchasing Products from or returning Products to the Company, sponsoring and/or recruiting new Distributors, use of credit cards, shipping services, or any other activities that the Company, in its sole discretion, determines to be a material promotion of the Company's business.

**BUSINESS DEVELOPMENT ACTIVITY** Any activity that benefits, promotes, assists, or supports in any way the business, development, sales, or sponsorship of another Direct Sales Company, including but not limited to, selling products or services, promoting the business opportunity, appearing on behalf of the Direct Sales Company or one of its representatives, allowing your name to be used to market the Direct Sales Company, its products, services or opportunity, sponsoring or recruiting on behalf of the Direct Sales Company, acting as a member of the board of directors, as an officer, or a representative or distributor of the Direct Sales Company, an ownership interest, or any other beneficial interest, whether the interest is direct or indirect.

**BUSINESS ENTITY** Any business entity such as a corporation, partnership, limited liability company, trust, or other form of business organization legally formed under the laws of the jurisdiction in which it was organized.

**BUSINESS ENTITY FORM** A supplemental document considered part of the Distributor Agreement. The Business Entity Form must be completed and signed by a Business Entity applying to become a Distributor, as well as each Participant in the Business Entity. The Business Entity Form must list all Persons who are partners, shareholders, principals, officers, directors, members or anyone else with a Beneficial Interest in the Business Entity.

**BUSINESS SUPPORT MATERIALS** Any electronic, printed, audio or video presentation or other material used in the offer or sale of Products, recruitment of prospective Distributors or training of Distributors, which makes reference to the Company, its Products, the Sales Compensation Plan or its trade names.

**BUSINESS SUPPORT MATERIALS AND SERVICES** This term is used to refer to Business Support Materials and Business Support Services together.

**BUSINESS SUPPORT SERVICES** Any services or business tools supporting the offer or sale of the Company's Products, recruitment of prospective Distributors, or the training of Distributors.

**CO-HABITANT** A person who is living with a Distributor as if a spouse of the Distributor, but is not legally married.

**COMPANY** Limbic Arc LLC and its affiliated entities.

**COMPANY APPROVED BUSINESS SUPPORT MATERIALS** Marketing materials designated in writing by the Company as approved for use in specific countries.

**CONFIDENTIAL INFORMATION** All private, confidential and/or proprietary information disclosed to or discovered by you regarding the Company including, without limitation, intellectual property rights, trade secrets, the Network, personal information, sales volumes and genealogy, manuals, protocols, policies, procedures, marketing, and strategic information, computer software, training materials, nonpublic financial information, and any copies, notes or abstracts of any such information, or any other information that the Company considers proprietary, highly sensitive, or valuable to its business.

**CONTRACT** The agreement between a Distributor and the Company composed of the following: these Policies and Procedures, the Sales Compensation Plan, Distributor Agreement, Business Entity Forms, supplemental services, International Sponsor Agreement, Product Purchase Agreement, Arbitration Agreement, and other international agreements (collectively, the "Contract"). The Contract is the complete and only agreement between the Company and a Distributor. DCAC Distributor Compliance Appeals Committee whose duties are described in Chapter 6. DCRC Distributor Compliance Review Committee whose duties are described in Chapter 6.

**DIRECT SALES COMPANY** A company that uses a sales force of independent contractors who sell products and services and that compensates the independent contractors through a single-level or multi-level compensation plan for (i) their own sales, and/or (ii) the sales of other independent

contractors who have signed up under the independent contractors to distribute the same products and services.

**DISPUTE** Defined in Section 3 of Chapter 7.

**DISTRIBUTOR** An independent contractor authorized by the Company under the Contract subscribe to Company software or purchase Company Products, recruit other Distributors, and receive Bonuses in accordance with the requirements of the Sales Compensation Plan. A Distributor's relationship to the Company is governed by the Contract.

**DISTRIBUTOR AGREEMENT** The Distributor application and agreement, and if applicable, the Business Entity Form, that must be completed and submitted to the Company in order to apply to become a Distributor.

**DISTRIBUTOR ORGANIZATION** Any organization established by a Distributor that offers sales support, motivational or training material, website subscriptions, Business Support Materials and Services, training courses, recognition events, leads or other business promotion tools to a specific group of affiliated distributors.

**DISTRIBUTORSHIP** The distributor account created when either an individual or a Business Entity enters into a contractual relationship with the Company.

**DOWNLINE ORGANIZATION** A group of Distributors either directly sponsored or linked in a direct chain of sponsorship in the sales organization of a particular Distributor.

**INTERNATIONAL SPONSOR** A Distributor in good standing, authorized under an International Sponsor Agreement to act as a Sponsor in an Authorized Country outside the country, territory, or other political jurisdiction in which that Distributor first established a Distributorship with the Company.

**INTERNET MARKETING SITE** An "Internet Marketing Site" is any a location on the Web that is (a) used primarily (or to which a significant portion is used) to post or communicate information about the Company, its Products, or the Sales Compensation Plan/income opportunity, or (b) that contains "internet marketing materials." Internet marketing materials shall mean marketing materials concerning the Company, its Products, or the Sales Compensation Plan/income opportunity that have not been produced by the Company and approved for posting on personal blogs, facebook pages and social networking sites. 31 Addendum A Glossary of Defined Terms

**NETWORK** The Distributor and customer network of the Company and all compilations of various lists describing that network or members thereof, including but not limited to, any and all contact or personal information collected by the Company regarding the Distributors and customers.

**NON-RESIDENT COUNTRY** An Authorized Country other than your Resident Country.

**PARTICIPANT** Any Person who has a Beneficial Interest in a Business Entity or Distributorship. **PERSON** An individual or Business Entity.

**PERSONALIZED ADVERTISING MATERIAL** Business cards, letterhead, stationery, envelopes, note pads, self-stick labels, name badges or Direct Selling Association cards imprinted with the Company names or logos and a Distributor's name, address, telephone number and other personal contact information.

**POLICIES AND PROCEDURES** The policies governing how a Distributor is to conduct his business as set forth in this document (including Supplemental Policies) and defining the rights and relationships of the parties.

**PRODUCTS** The products and services of the Company.

**RESIDENT COUNTRY** If you are an individual, then it is the country, territory, or other political jurisdiction in which you are a citizen or a lawful permanent resident and whose country's Distributor Agreement you have executed. If you are a Business Entity, such as a corporation, partnership, limited liability company, or any other form of business organization, then it is the country, territory, or other political jurisdiction in which you are legally formed under the laws of your Resident Country, and each member of the Business Entity has proper legal authorization to conduct business in the Resident country, and whose country's Distributor Agreement you have executed.

**SALES COMPENSATION PLAN** The specific plan utilized by the Company that outlines the details and requirements of the compensation structure for Distributors. **SPONSOR** A Distributorship under which another Distributorship is originally placed after it has applied to become a Distributor.

**UNOPENED COUNTRY** Any country that is not an Authorized Country. **URL** A Uniform Resource Locator or web address