



**STATEMENT OF POLICIES**  
*and*  
**PROCEDURES**

*Effective: November 1, 2011*

# TABLE OF CONTENTS

<b>SECTION 1- INTRODUCTION .....</b>	<b>1</b>
1.1- POLICIES AND COMPENSATION PLAN INCORPORATED INTO MEMBER AGREEMENT.....	1
1.2- CHANGES TO THE AGREEMENT .....	1
1.3- POLICIES AND PROVISIONS SEVERABLE .....	1
1.4- WAIVER .....	1
<b>SECTION 2- BECOMING A MEMBER .....</b>	<b>2</b>
2.1- REQUIREMENTS TO BECOME A MEMBER.....	2
2.2- BUSINESS STARTER KITS AND PRODUCT PURCHASES .....	2
2.3- MEMBER BENEFITS .....	2
2.4- TERM AND RENEWAL OF YOUR LIFE BUSINESS .....	3
<b>SECTION 3- OPERATING A LIFE BUSINESS .....</b>	<b>3</b>
3.1- MEMBER CREATED MARKETING METHODS AND TOOLS.....	3
3.2- ADVERTISING.....	3
3.2.1- General.....	3
3.2.2- Trademarks and Copyrights .....	4
3.2.2.1- Injunctive and Equitable Relief .....	4
3.2.3- Media and Media Inquiries .....	4
3.2.4- Unsolicited Email.....	5
3.2.5- Unsolicited Faxes .....	5
3.2.6- Telephone Directory Listings.....	6
3.3- ONLINE CONDUCT.....	6
3.3.1- Member Web Sites.....	6
3.3.2- Group Websites.....	6
3.3.3- Domain Names, Email Addresses and Online Aliases.....	6
3.3.4- Online Classifieds .....	6
3.3.5- eBay / Online Auctions .....	6
3.3.6- Online Retailing .....	7
3.3.7- Banner Advertising .....	7
3.3.8- Spam Linking.....	7
3.3.9- Digital Media Submission (YouTube, iTunes, PhotoBucket etc.) .....	7
3.3.10- Sponsored Links / Pay-Per-Click (PPC) Ads.....	7
3.3.11- Social Media .....	7
3.3.11.1- Members Are Responsible for Postings.....	8
3.3.11.2- Identification as an Independent LIFE Member .....	8
3.3.11.3- Social Media as a Sales and Promotion Forum.....	8
3.3.11.4- Deceptive Postings .....	8
3.3.11.5- Use of Third Party Intellectual Property.....	8
3.3.11.6- Respecting Privacy .....	9
3.3.11.7- Professionalism.....	9
3.3.11.8- Prohibited Postings.....	9
3.3.11.9- Responding to Negative Posts .....	9
3.3.11.10- Social Media Sites with Website-like Features.....	9
3.3.11.11- Cancellation of Your LIFE Business .....	9
3.4- CHANGE OF ENROLLER .....	10
3.4.1- Misplacement .....	10
3.4.2- Cancellation and Re-Application .....	10
3.5- WAIVER OF CLAIMS .....	10
3.6- UNAUTHORIZED CLAIMS AND ACTIONS .....	11
3.6.1- Indemnification .....	11
3.6.2- Income Claims .....	11
3.7- REPACKAGING AND RE-LABELING PROHIBITED.....	11

3.8- COMMERCIAL OUTLETS .....	11
3.9- TRADE SHOWS, EXPOSITIONS AND OTHER SALES FORUMS.....	11
3.10- NON-SOLICITATION AND PARTICIPATION IN OTHER OPPORTUNITIES .....	12
3.10.1- Non-Solicitation .....	12
3.10.2- Member Participation in Other Network Marketing Programs .....	12
3.10.3- Injunctive and Equitable Relief.....	13
3.11- TARGETING OTHER DIRECT SELLERS.....	13
3.12- ERRORS OR QUESTIONS.....	13
3.13- GOVERNMENTAL APPROVAL OR ENDORSEMENT .....	13
3.14- HOLDING APPLICATIONS OR ORDERS.....	14
3.15- INCOME TAXES .....	14
3.16- INDEPENDENT CONTRACTOR STATUS .....	14
3.17- INSURANCE .....	14
3.18- INTERNATIONAL MARKETING .....	14
3.19- EXCESS INVENTORY AND BONUS BUYING .....	14
3.20- ADHERENCE TO LAWS AND ORDINANCES.....	15
3.21- ONE LIFE BUSINESS PER MEMBER AND PER HOUSEHOLD .....	15
3.22- ACTIONS OF HOUSEHOLD MEMBERS OR AFFILIATED PARTIES.....	15
3.23- REQUESTS FOR RECORDS .....	16
3.24- ROLL-UP OF DOWNLINE ORGANIZATION.....	16
3.25- SALE, TRANSFER OR ASSIGNMENT OF LIFE BUSINESS .....	16
3.26- SEPARATION OF A LIFE BUSINESS .....	17
3.27- ENROLLMENT.....	18
3.28- SUCCESSION.....	18
3.28.1- Transfer Upon Death of a Member .....	18
3.28.2- Transfer Upon Incapacitation of a Member .....	18
3.29- TELEMARKETING TECHNIQUES .....	19
3.30- BACK OFFICE ACCESS.....	20
<b>SECTION 4- RESPONSIBILITIES OF MEMBERS.....</b>	<b>20</b>
4.1- CHANGE OF ADDRESS, TELEPHONE, AND E-MAIL ADDRESSES .....	20
4.2- CONTINUING DEVELOPMENT OBLIGATIONS.....	20
4.2.1- Ongoing Training .....	20
4.2.2- Increased Training Responsibilities .....	20
4.2.3- Ongoing Sales Responsibilities.....	21
4.3- NONDISPARAGEMENT .....	21
4.4- PROVIDING DOCUMENTATION TO APPLICANTS.....	21
<b>SECTION 5- SALES REQUIREMENTS.....</b>	<b>21</b>
5.1- PRODUCT SALES .....	21
5.2- NO TERRITORY RESTRICTIONS.....	21
5.3- SALES RECEIPTS .....	21
<b>SECTION 6- BONUSES AND COMMISSIONS.....</b>	<b>22</b>
6.1- BONUS AND COMMISSION QUALIFICATIONS .....	22
6.2- ADJUSTMENT TO BONUSES AND COMMISSIONS .....	22
6.2.1- Adjustments for Returned Products and Services .....	22
6.2.2- Hard Copy Commission Checks .....	22
6.3- REPORTS .....	22
<b>SECTION 7- PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE.....</b>	<b>23</b>
7.1- RETURNS BY RETAIL CUSTOMERS OR MEMBERS .....	23
7.2- RETURN OF INVENTORY AND SALES AIDS BY MEMBERS UPON CANCELLATION .....	24
7.2.1- Montana Residents .....	24
7.3- PROCEDURES FOR ALL RETURNS .....	24

<b>SECTION 8- DISPUTE RESOLUTION BETWEEN MEMBERS.....</b>	<b>25</b>
8.1- GRIEVANCES, COMPLAINTS AND DISPUTES BETWEEN MEMBERS .....	25
8.2- INFORMAL RESOLUTION .....	25
8.2.1- Enroller/Upline Leader Resolution .....	25
8.2.2- Member Services Department Resolution.....	25
8.3- NON-BINDING MEDIATION .....	26
8.3.1- Request for Non-Binding Mediation.....	26
8.3.2- Selection of Mediator.....	26
8.3.3- Consolidation .....	26
8.3.4- Mediation Proceedings.....	26
8.4- BINDING ARBITRATION.....	26
8.4.1- Agreement to Arbitrate .....	26
8.4.2- Time for Demand and Company’s Right to Intervene .....	27
8.4.3- Appointment and Authority of Arbitrator .....	28
8.4.4- Arbitration Proceeding.....	28
8.4.5- Confidentiality .....	29
8.4.6- Class Action Arbitration Prohibited.....	29
8.4.7- Consolidation of Claims.....	29
8.5- GOVERNING LAW, JURISDICTION AND VENUE .....	29
<b>SECTION 9- DISPUTE RESOLUTION BETWEEN MEMBER AND COMPANY .....</b>	<b>30</b>
9.1- DISPUTES BETWEEN MEMBERS AND THE COMPANY .....	30
9.2- DISCIPLINARY SANCTIONS.....	30
9.3- NON-BINDING MEDIATION .....	31
9.3.1- Company’s Request for Non-Binding Mediation.....	31
9.3.2- Member’s Request for Non-Binding Mediation.....	31
9.3.3- Injunctive or Equitable Relief .....	31
9.3.4- Selection of Mediator.....	31
9.3.5- Consolidation .....	31
9.3.6- Mediation Proceeding .....	32
9.4- ELECTION OF FORUM FOR FURTHER DISPUTE RESOLUTION .....	32
9.5- LIMITATIONS PERIOD .....	32
9.6- BINDING ARBITRATION.....	33
9.6.1- Agreement to Arbitrate .....	33
9.6.2- Appointment and Authority of Arbitrator .....	34
9.6.3- Arbitration Proceedings .....	34
9.6.4- Confidentiality .....	35
9.6.5- Class Action Arbitration Prohibited.....	35
9.6.6- Consolidation of Claims.....	35
9.7- GOVERNING LAW, JURISDICTION AND VENUE .....	36
9.7.1- Louisiana Residents .....	36
<b>SECTION 10- SALES TAXES .....</b>	<b>36</b>
10.1- SALES TAXES .....	36
<b>SECTION 11- INACTIVITY, RECLASSIFICATION, AND CANCELLATION.....</b>	<b>36</b>
11.1- EFFECT OF CANCELLATION .....	36
11.2- INVOLUNTARY CANCELLATION .....	37
11.3- VOLUNTARY CANCELLATION .....	37
11.4- NON-RENEWAL .....	37
<b>SECTION 12- DEFINITIONS.....</b>	<b>37</b>

## **SECTION 1- INTRODUCTION**

### **1.1- Policies and Compensation Plan Incorporated into Member Agreement**

These Policies and Procedures, in their present form and as amended at the sole discretion of Living Intentionally for Excellence, LLLP (hereafter “LIFE” or the “Company”), are incorporated into, and form an integral part of, the LIFE Member Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the Independent Member Application and Agreement, these Policies and Procedures and the LIFE Compensation Plan. These documents are incorporated by reference into the LIFE Member Agreement (all in their current form and as amended by LIFE).

### **1.2- Changes to the Agreement**

LIFE reserves the right to make additions to and amend the Agreement and to change its prices in its sole and absolute discretion. By executing the Agreement, a Member agrees to abide by all amendments or modifications that LIFE elects to make. Amendments and modifications shall be effective thirty (30) days after publication of notice that the Agreement has been amended or modified. Amendments and modifications shall not apply retroactively to conduct that occurred prior to the effective date of the amendment or modification. Notification of amendments and modifications shall be published by one or more of the following methods: (1) posting on the Company’s official web site; (2) electronic mail (e-mail); (3) posting in Members’ Back Offices; (4) inclusion in Company periodicals; (5) inclusion in product orders or bonus checks; or (6) special mailings. The continuation of a Member’s LIFE business or a Member’s acceptance of bonuses or commissions constitutes acceptance of all amendments or modifications.

### **1.3- Policies and Provisions Severable**

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

### **1.4- Waiver**

The Company never waives the right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of LIFE to exercise any right or power under the Agreement or to insist upon strict compliance by a Member with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of LIFE’s right to demand exact compliance with the Agreement.

## **SECTION 2- BECOMING A MEMBER**

### **2.1- Requirements to Become a Member**

To become a LIFE Member, each applicant must:

- Be at least 18 years of age;
- Reside in the United States, or U.S. Territories;
- Provide LIFE with his/her valid Social Security number;
- Purchase a LIFE Business Starter Kit (optional in North Dakota, Massachusetts, Wyoming and Louisiana for residents of those states);
- Submit a properly completed Independent Member Application and Agreement to LIFE either in hard copy or online format.

### **2.2- Business Starter Kits and Product Purchases**

With the exception of a Business Starter Kit, no person is required to purchase LIFE products, services or sales aids to become a Member. In order to familiarize new Members with LIFE products, services, sales techniques, sales aids, and other matters, the Company requires that they purchase a Business Starter Kit (optional in North Dakota, Massachusetts, Wyoming and Louisiana for residents of those states). LIFE will repurchase resalable kits from any Member who terminates his or her Member Agreement pursuant to the terms of Section 7.2.

### **2.3- Member Benefits**

Once an Independent Member Application and Agreement has been accepted by LIFE, the benefits of the Compensation Plan and the Agreement are available to the new Member. These benefits include the right to:

- Sell LIFE products and services;
- Participate in the LIFE Compensation Plan (receive bonuses and commissions, if eligible);
- Enroll other individuals as Customers or Members into the LIFE business and thereby, build a Downline Organization and progress through the LIFE Compensation Plan;
- Receive periodic LIFE literature and other LIFE communications;
- Participate in LIFE-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and

- Participate in promotional and incentive contests and programs sponsored by LIFE for its Members.

## **2.4- Term and Renewal of Your LIFE Business**

The term of the Agreement is one year from the date of its acceptance by LIFE. Members must renew their Agreement each year by paying an annual renewal fee. There are three options for doing so:

- Members may elect to utilize the Automatic Renewal Program (“ARP”). Under the ARP, the renewal fee will be charged to the Member’s credit card on file with the Company at a renewal rate of \$15.
- Members may choose to manually renew via the LIFE website when prompted at the end of their Agreement term at a renewal rate of \$19. This price will be available for 60 days after the anniversary date of their Agreement.
- A \$39 “last chance” renewal is available for Members from 61 to 90 days after their anniversary date. This is also accomplished via the LIFE website.

Any Member who fails to renew his or her Agreement within the guidelines outlined above will automatically have his or her Membership terminated without the ability to be reinstated.

## **SECTION 3- OPERATING A LIFE BUSINESS**

### **3.1- Member Created Marketing Methods and Tools**

Members must adhere to the terms of the Agreement as set forth in the Independent LIFE Member Application and Agreement, LIFE Policies and Procedures, and Compensation Plan. Members shall not offer the LIFE opportunity through, or in combination with, any other system, program, sales tools, or method of marketing other than that specifically set forth in official LIFE literature. Members shall not require or encourage other current or prospective Customers or Members to execute any agreement or contract other than the Independent Member Application and Agreement in order to become a LIFE Member. Similarly, Members shall not require or encourage other current or prospective Customers or Members to make any purchase from, or payment to, any individual or other entity to participate in the Agreement other than those purchases or payments identified as recommended or required in official LIFE literature.

### **3.2- Advertising**

#### **3.2.1- General**

All Members shall safeguard and promote the good reputation of LIFE and its products. The marketing and promotion of LIFE, the LIFE opportunity, the Compensation Plan, and LIFE products must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the products and services, and the opportunity LIFE offers, Members must use the sales tools and support materials produced by LIFE or LIFE approved suppliers. The Company has carefully designed its products, product labels, Compensation Plan, and promotional materials to ensure that they are promoted in a fair, truthful manner, that they are substantiated, and the material complies with the legal requirements of federal and state laws. Accordingly, Members must not produce their own literature, advertisements, sales tools and promotional materials, or Internet web pages.

### **3.2.2- Trademarks and Copyrights**

The name of LIFE and other names as may be adopted by LIFE are proprietary trade names, trademarks and service marks of LIFE. As such, these trade names, trademarks and service marks are of great value to LIFE and are supplied to Members for their use only in the manner expressly authorized in the Agreement. LIFE will not allow the use of its trade names, trademarks, designs, or symbols, or any derivatives of such marks, by any person, including LIFE Members, in any unauthorized manner without its prior, written permission.

The content of all Company sponsored events is copyrighted material. Members may not produce for sale or distribution any recorded Company events and speeches without written permission from LIFE, nor may Members reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

As a LIFE Member, you may use the LIFE name in the following manner:

Member's Name  
LIFE Member

Example:  
Alice Smith  
LIFE Member

Members may not use the name LIFE in any form in your group name, a tagline, an external website name, your personal website address or extension, in an e-mail address, as a personal name, or as a nickname. Additionally, only use the phrase LIFE Member in your phone greeting or on your answering machine to clearly separate your independent LIFE business from LIFE. For example, you may not secure the domain name [www.buyLIFE.com](http://www.buyLIFE.com), nor may you create an email address such as [LIFEsales@hotmail.com](mailto:LIFEsales@hotmail.com).

#### **3.2.2.1- Injunctive and Equitable Relief**

Members acknowledge that the violation of Section 3.2.2 relating to the use of LIFE trademarks, trade names, service marks and copyrights will cause significant and irreparable harm to the Company, warranting an award of immediate injunctive relief and/or other equitable remedies.

### **3.2.3- Media and Media Inquiries**

Members must not respond to media inquiries regarding LIFE, its products or services, or their independent LIFE business. All inquiries by any type of media must be immediately referred to LIFE's Member Services Department at [corpsupport@the-life-business.com](mailto:corpsupport@the-life-business.com). This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

#### **3.2.4- Unsolicited Email**

LIFE does not permit Members to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by a Member that promotes LIFE, the LIFE opportunity, or LIFE products and services must comply with the following:

- There must be a functioning return email address to the sender.
- There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, and that he or she may request that future email solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- The email must include the Member's physical mailing address.
- The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- The use of deceptive subject lines and/or false header information is prohibited.
- All opt-out requests, whether received by email or regular mail, must be honored. If a Member receives an opt-out request from a recipient of an email, the Member must forward the opt-out request to the Company.

LIFE may periodically send commercial emails on behalf of Members. By entering into the Agreement, Member agrees that the Company may send such emails and that the Member's physical and email addresses will be included in such emails as outlined above. Members shall honor opt-out requests generated as a result of such emails sent by the Company.

#### **3.2.5- Unsolicited Faxes**

Except as provided in this section, Members may not use or transmit unsolicited faxes in connection with their LIFE business. The term "unsolicited faxes" means the transmission via telephone facsimile or computer of any material or information advertising or promoting LIFE, its products, its Compensation Plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Member has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two way communication between a Member and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the

person regarding products offered by such Member; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

### **3.2.6- Telephone Directory Listings**

Members may not list themselves as a “LIFE Member” in the white or yellow pages of the telephone directory, or with online directories, under their own name. No Member may place telephone or online directory display ads using LIFE's name or logo. Members may not answer the telephone by saying “LIFE”, “LIFE Incorporated”, or in any other manner that would lead the caller to believe that he or she has reached corporate offices of LIFE.

## **3.3- Online Conduct**

### **3.3.1- Member Web Sites**

Members are provided with access to replicated websites for an additional charge through LIFE's training supplier agreement with Team, from which they can take orders and enroll new customers. Members may use only replicated websites provided by Team to promote their LIFE business, and may not create their own websites to directly or indirectly promote LIFE's products, services, or the LIFE opportunity. LIFE may only be discussed on Social Media sites to the extent permitted in Section 3.3.12

### **3.3.2- Group Websites**

You may use a Group Website for the purposes of connecting, communicating, training, education and sharing best practices among group members. Because these sites may contain sensitive and Company-specific information, these Group Websites must be password protected and may only be shared with members of your downline. You must also supply LIFE with credentials to access.

### **3.3.3- Domain Names, Email Addresses and Online Aliases**

Members are not allowed to use or attempt to register LIFE or any of LIFE's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivatives of the foregoing, for any Internet domain name, email address, online aliases, or social media name or address. Additionally, Members cannot use or register domain names, email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of, LIFE.

### **3.3.4- Online Classifieds**

You may not use online classifieds (including Craigslist) to list, sell or retail specific LIFE products or product bundles or for prospecting, recruiting, sponsoring and informing the public about the LIFE opportunity.

### **3.3.5- eBay / Online Auctions**

LIFE's products and services may not be listed on eBay or other online auctions, nor may Members enlist or knowingly allow a third party to sell LIFE products on eBay or other online auctions.

### **3.3.6- Online Retailing**

Members may not list or sell LIFE products on any online retail store or ecommerce site, nor may you enlist or knowingly allow a third party to sell LIFE products on any online retail store or ecommerce site.

### **3.3.7- Banner Advertising**

You may not place banner advertisements on any website.

### **3.3.8- Spam Linking**

Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums and is not allowed. This includes blog spamming, blog comment spamming and/or spamdexing. Any comments you make on blogs, forums, guest books etc. must be unique, informative and relevant.

### **3.3.9- Digital Media Submission (YouTube, iTunes, PhotoBucket etc.)**

Members may upload, submit or publish LIFE-related video, audio or photo content that they develop and create so long as it aligns with LIFE values, contributes to the LIFE community greater good and is in compliance with LIFE's Policies and Procedures. All submissions must clearly identify you as a LIFE Member in the content itself and in the content description tag, must comply with all copyright/legal requirements, and must state that you are solely responsible for this content. Members may not upload, submit or publish any content (video, audio, presentations or any computer files) received from LIFE or captured at official LIFE events or in buildings owned or operated by LIFE without prior written permission.

### **3.3.10- Sponsored Links / Pay-Per-Click (PPC) Ads**

Sponsored links or pay-per-click ads (PPC) are not acceptable.

### **3.3.11- Social Media**

Social Media may be used by Members to share information about their involvement in the LIFE opportunity and for prospecting. However, Members who elect to use Social Media must adhere to the Policies and Procedures in all respects.

Social Media sites may not be used to enroll new Members or customers, or to take orders, sell or offer to sell specific LIFE products or services. Profiles a Member generates in any social community where LIFE is discussed or mentioned must clearly identify the Member as an independent LIFE Member, and when a Member participates in those communities, the below rules apply and Members must avoid inappropriate conversations, comments, images, video,

audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at LIFE's sole discretion, and offending Members will be subject to disciplinary action. If a link is provided, it must link to the posting Member's Replicated Website.

Members may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Members create or leave must be useful, unique, relevant and specific to the blog's article.

### **3.3.11.1- Members Are Responsible for Postings**

Members are personally responsible for their postings and all other online activity that relates to LIFE. Therefore, even if a Member does not own or operate a blog or Social Media site, if a Member posts to any such site that relates to LIFE or which can be traced to LIFE, the Member is responsible for the posting. Members are also responsible for postings which occur on any blog or Social Media site that the Member owns, operates, or controls.

### **3.3.11.2- Identification as an Independent LIFE Member**

You must disclose your full name on all Social Media postings, and conspicuously identify yourself as an independent Member for LIFE. Anonymous postings or use of an alias is prohibited.

### **3.3.11.3- Social Media as a Sales and Promotion Forum**

Social Media sites are relationship-building sites. While building relationships is an important part of the sales process, Social Media sites may not be used as a direct medium for generating sales or explaining the LIFE opportunity. Online sales may only be generated from a Member's LIFE replicated website or through the LIFE website. Likewise, Members shall not use any Social Media site to explain the LIFE Compensation Plan or any component of the Compensation Plan.

### **3.3.11.4- Deceptive Postings**

Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the LIFE opportunity, LIFE's products and services, and/or your biographical information and credentials.

### **3.3.11.5- Use of Third Party Intellectual Property**

If you use the trademarks, trade names, service marks, copyrights, or intellectual property of any third party in any posting, it is your responsibility to ensure that you have received the proper license to use such intellectual property and pay the appropriate license fee. All third-party intellectual property must be properly referenced as the property of the third-party, and you must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

### **3.3.11.6- Respecting Privacy**

Always respect the privacy of others in your postings. Members must not engage in gossip or advance rumors about any individual, company, or competitive products or services. Members may not list the names of other individuals or entities on their postings unless they have the written permission of the individual or entity that is the subject of their posting.

### **3.3.11.7- Professionalism**

You must ensure that your postings are truthful and accurate. This requires that you fact-check all material you post online. You should also carefully check your postings for spelling, punctuation, and grammatical errors. Use of offensive language is prohibited.

### **3.3.11.8- Prohibited Postings**

Members may not make any postings, or link to any postings or other material that:

- Is sexually explicit, obscene, or pornographic;
- Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
- Is graphically violent, including any violent video game images;
- Is solicitous of any unlawful behavior;
- Engages in personal attacks on any individual, group, or entity;
- Is in violation of any intellectual property rights of the Company or any third party.

### **3.3.11.9- Responding to Negative Posts**

Do not converse with one who places a negative post against you, other independent Members, or LIFE. Report negative posts to the Company at [corpsupport@the-life-business.com](mailto:corpsupport@the-life-business.com). Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as LIFE, and therefore damages the reputation and goodwill of LIFE.

### **3.3.11.10- Social Media Sites with Website-like Features**

Because some social media sites are particularly robust, the distinction between a social media site and a website may not be clear cut. LIFE therefore reserves the sole and exclusive right to classify certain social media sites as websites and require that Members using, or who wish to use, such sites adhere to the Company's policies relating to independent websites.

### **3.3.11.11- Cancellation of Your LIFE Business**

If your LIFE business is cancelled for any reason, you must discontinue using the LIFE name, and all of LIFE's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an independent LIFE Member, you must conspicuously disclose that you are no longer an independent LIFE Member.

### **3.4- Change of Enroller**

LIFE prohibits organizational changes. Accordingly, the transfer of a LIFE business from one Enroller to another is not permitted outside of the examples below. Requests for a change must be submitted in writing to the Member Services Department, and must include the reason for the transfer. Transfers will only be considered in the following two circumstances:

#### **3.4.1- Misplacement**

In cases in which the new Member is enrolled by someone other than the individual he or she was led to believe would be his or her Enroller, a Member may request that he or she be transferred to another organization with his or her entire Downline Organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within seven days from the date of enrollment. The Member requesting the change has the burden of proving that he or she was placed incorrectly. It is up to LIFE's discretion whether the requested change will be implemented.

#### **3.4.2- Cancellation and Re-Application**

A Member may legitimately change organizations by voluntarily canceling his or her LIFE business and remaining inactive (i.e., no purchases of LIFE products for resale, no sales of LIFE products, no enrolling, no attendance at any LIFE functions, participation in any other form of Member activity, or operation of any other LIFE business, no income from the LIFE business) for six (6) full calendar months. Following the six-month period of inactivity, the former Member may reapply under a new Enroller, however, the former Member's Downline Organization will not be moved.

### **3.5- Waiver of Claims**

In cases wherein the appropriate organizational change procedures have not been followed, and a Downline Organization has been developed in the second business developed by a Member, LIFE reserves the sole and exclusive right to determine the final disposition of the Downline Organization. Resolving conflicts over the proper placement of a Downline Organization that has developed under an organization that has improperly switched organizations is often extremely difficult. Therefore, **MEMBERS WAIVE ANY AND ALL CLAIMS AGAINST LIFE, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM LIFE'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION AS TO WHICH APPROPRIATE ORGANIZATIONAL CHANGE PROCEDURES HAVE NOT BEEN FOLLOWED.**

### **3.6- Unauthorized Claims and Actions**

#### **3.6.1- Indemnification**

A Member is fully responsible for all of his or her verbal and written statements made regarding LIFE products, services, and the Compensation Plan that are not expressly contained in official LIFE materials. This includes statements and representations made through all sources of communication media, whether person-to-person, in meetings, online, through Social Media, in print, or any other means of communication. Members agree to indemnify LIFE and LIFE's directors, owners, officers, employees, and agents, and hold them harmless from all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by LIFE as a result of the Member's unauthorized representations or actions. This provision shall survive the termination of the Member's Agreement.

#### **3.6.2- Income Claims**

Because LIFE Members do not have the data necessary to comply with the legal requirements for making income claims, a Member, when presenting or discussing the LIFE opportunity or Compensation Plan to a prospective Member, may not make income projections, income claims, or disclose his or her LIFE income (including, but not limited to, the showing of checks, copies of checks, bank statements, or tax records).

### **3.7- Repackaging and Re-labeling Prohibited**

LIFE products may only be sold in their original packaging. Members may not repackage, re-label, or alter the labels on LIFE products. Tampering with labels/packaging could be a violation of federal and state laws, and may result in civil or criminal liability. Members may affix a personalized sticker with your personal/contact information to each product or product container, as long as you do so without removing existing labels or covering any text, graphics, or other material on the product label.

### **3.8- Commercial Outlets**

Members may not sell LIFE products from a commercial outlet, nor may Members display or sell LIFE products or literature in any retail or service establishment. Online auction and/or sales facilitation websites, including but not limited to ebay and Craigslist, constitute Commercial Outlets, and may not be used to sell LIFE products.

### **3.9- Trade Shows, Expositions and Other Sales Forums**

Members may display and/or sell LIFE products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Members must contact the Member Services Department in writing at [corpsupport@the-life-business.com](mailto:corpsupport@the-life-business.com) for conditional approval, as LIFE's policy is to authorize only one LIFE business per event. Final approval will be granted to the first Member who submits an official advertisement of the event, a copy of the contract signed by both the Member and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Member Services Department. LIFE

further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the LIFE opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image LIFE wishes to portray.

### **3.10- Non-Solicitation and Participation in Other Opportunities**

#### **3.10.1- Non-Solicitation**

LIFE Members are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"). However, during the term of this Agreement, Members may not Recruit other LIFE Members, advisors, managers, employees, customers or vendors of LIFE, (a) to enter into any business relationship with any other direct sales or network marketing company or individual unless the other networking marketing business has been specifically approved by LIFE in its sole discretion (MonaVie has been approved) or (b) to terminate or alter his or her business relationship with LIFE.

Following the cancellation of a Member's Agreement, and for a period of six calendar months thereafter, with the exception of a Member who is personally enrolled by the former Member, a former Member may not Recruit any LIFE Member, advisor, manager, employee, customer or vendor of LIFE, (a) to enter into any business relationship with any other direct sales or network marketing company or individual or (b) to terminate or alter his or her business relationship with LIFE.

Members and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Members and LIFE agree that this non-solicitation provision shall apply nationwide and to all international markets in which Members are located.

#### **3.10.2- Member Participation in Other Network Marketing Programs**

If a Member is engaged in other non-LIFE direct selling programs, it is the responsibility of the Member to ensure that his or her LIFE business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

- Members must not sell, or attempt to sell, any competing non-LIFE programs, products or services to LIFE Customers or Members. Any program, product or services in the same generic categories as LIFE products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.
- Members shall not display LIFE promotional material, sales aids, products or services with or in the same location as any non-LIFE promotional material or sales aids, products or services, unless specifically authorized by LIFE.

- Members shall not offer the LIFE opportunity, products or services to prospective or existing Customers or Members in conjunction with any non-LIFE program, opportunity, product or service, unless specifically authorized by LIFE.
- Members may not offer any non-LIFE opportunity, products or services at any LIFE-related meeting, seminar, convention, webinar, teleconference, or other function, unless specifically authorized by LIFE.

### **3.10.3- Injunctive and Equitable Relief**

Member acknowledges that the violation of Sections 3.10.1 and 3.10.2 will cause significant and irreparable harm to the Company, warranting an award of immediate injunctive relief and/or other equitable remedies.

### **3.11- Targeting Other Direct Sellers**

LIFE does not condone Members specifically or consciously targeting the sales force of another direct sales company to sell LIFE products or to become Members for LIFE, nor does LIFE condone Members' solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should Members engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against a Member alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, LIFE will not pay any of the Member's defense costs or legal fees, nor will LIFE indemnify the Member for any judgment, award, or settlement.

### **3.12- Errors or Questions**

If a Member has questions about or believes any errors have been made regarding commissions, bonuses, genealogy lists, or charges, or any other errors, omissions or problems, the Member must notify LIFE in writing via email to [lifesupport@the-life-business.com](mailto:lifesupport@the-life-business.com) within 60 days of the date of the purported error, omission or problem in question. LIFE will not respond to, or attempt to correct, any such errors, omissions or problems not reported to the Company within 60 days.

### **3.13- Governmental Approval or Endorsement**

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Members shall not represent or imply that LIFE or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

### **3.14- Holding Applications or Orders**

Members must not manipulate enrollments of new applicants and purchases of products. All Independent Member Applications and Agreements, and product orders must be sent to LIFE within 7 days from the time they are signed by a Member or placed by a customer, respectively.

### **3.15- Income Taxes**

Each Member is responsible for paying local, state, and federal taxes on any income generated as a Member. If a Member's LIFE business is tax exempt, the Federal tax identification number must be provided to LIFE. Every year, LIFE will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 in the previous calendar year; or 2) Made purchases during the previous calendar year in excess of \$5,000.

### **3.16- Independent Contractor Status**

Members are independent contractors. The agreement between LIFE and its Members does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Member. A Member shall not be treated as an employee for Federal or State tax purposes. All Members are responsible for paying local, state, and federal taxes due from all compensation earned as a Member. The Member has no authority (expressed or implied) to bind the Company to any obligation. Each Member shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Agreement (which includes these Policies and Procedures) and applicable laws.

### **3.17- Insurance**

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not cover business-related injuries, or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present home owner's policy.

### **3.18- International Marketing**

Members are authorized to sell LIFE products and services, and enroll Customers or Members only in the countries in which LIFE is authorized to conduct business, as announced in official Company literature. In addition, no Member may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential customers or Members; or (c) conduct any other activity for the purpose of selling LIFE products, establishing a Downline Organization, or promoting the LIFE opportunity.

### **3.19- Excess Inventory and Bonus Buying**

Members must never purchase more products than they can reasonably use or sell to retail customers in a month, and must not influence or attempt to influence any other Member to buy more products than they can reasonably use or sell to retail customers in a month. In addition,

bonus buying is strictly prohibited. Bonus buying includes any mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user consumers. Bonus buying includes, but is not limited to, purchasing products through a straw man or other artifice.

### **3.20- Adherence to Laws and Ordinances**

Members shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Members because of the nature of their business. However, Members must obey those laws that do apply to them. If a city or county official tells a Member that an ordinance applies to him or her, the Member shall be polite and cooperative, and immediately send a copy of the ordinance to the Member Services Department of LIFE.

### **3.21- One LIFE Business Per Member and Per Household**

A Member may operate or have an ownership interest, legal or equitable, as a sole proprietorship, trustee, or beneficiary, in only one LIFE business. No individual may have, operate or receive compensation from more than one LIFE business unless approved by LIFE. Individuals of the same Household may not enter into or have an interest in more than one LIFE Business.

In order to maintain the integrity of the LIFE Compensation Plan, Spouses who wish to become LIFE Members must be jointly enrolled as one LIFE business. Spouses, regardless of whether one or both are signatories to the Independent Member Application and Agreement, may not own or operate any other LIFE business, either individually or jointly, nor may they participate directly or indirectly (as a trustee, trust beneficiary, or have any other legal or equitable ownership) in the ownership or management of another LIFE business in any form.

An exception to the one business per Member/household rule will be considered on a case by case basis if a Member receives an interest in another business through inheritance. Requests for exceptions to this policy must be submitted in writing to the Member Services Department.

In cases where Members marry, one business must be selected and the second business terminated.

### **3.22- Actions of Household Members or Affiliated Parties**

If any member of a Member's immediate family or any individual residing with a Member engages in any activity which, if performed by the Member, would violate any provision of the Agreement, such activity will be deemed a violation by the Member and LIFE may take disciplinary action against the Member pursuant to the Policies and Procedures.

### **3.23- Requests for Records**

As a LIFE member, you are responsible for maintaining appropriate accounting records to support your LIFE business. Any approved record request will require a fee of \$1.00 per page per copy.

### **3.24- Roll-up of Downline Organization**

When a vacancy occurs in a Downline Team due to the termination of a LIFE business, the following occurs:

- If the Terminated Member has one Downline Team then that organization will be moved up one level.
- If the Terminated Member has more than one Downline Team then the additional organizations must be reviewed.
- If the additional Downline Teams do not have a Member with prior year or current year rank of a Leader 3 then each organization from largest to smallest of Downline Teams 2 and greater are transferred to the bottom of the 1st Downline Team.
- For Downline Teams 2 and greater, if there is a Member with a prior year or current year rank of a Leader 3 then those organizations do not move. The terminated Member position becomes a “Ghost Member”, with no commission calculation, but all sales volume continues to roll upline. For those Downline Teams 2 and greater that don’t have a Leader 3 then they are transferred to the bottom of Downline Team #1.

### **3.25- Sale, Transfer or Assignment of LIFE Business**

Although a LIFE business is a privately owned and independently operated business, the sale, transfer or assignment of a LIFE business is subject to certain limitations. If a Member wishes to sell his or her LIFE business the following criteria must be met:

- The selling Member must offer LIFE the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. LIFE shall have fifteen days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- Buyer must have a minimum current rank of Leader. The seller must offer Members the opportunity to purchase the business in the following order:
  1. Upline – Starts with largest rank and works down to smallest rank with a minimum of Leader.
  2. Downline – Starts with largest rank and works down to smallest rank with a minimum of a Leader.

- Before the sale, transfer or assignment can be finalized and approved by LIFE, any debt obligations the selling party has with LIFE must be satisfied.
- The selling Member must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a LIFE business.

Prior to selling an independent LIFE business, the selling Member must notify LIFE's Member Services Department in writing and advise of his or her intent to sell his/her LIFE business. The selling Member must also receive written approval from the Member Services Department before proceeding with the sale. No changes in Upline or Downline Organizations can result from the sale or transfer of a LIFE business.

### **3.26- Separation of a LIFE Business**

LIFE Members sometimes operate their LIFE businesses as husband-wife partnerships. At such time as a marriage may end in divorce, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other Upline or Downline Organizations.

During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

- One of the parties may, with consent of the other(s), operate the LIFE business pursuant to an assignment in writing whereby the relinquishing spouse or trustees authorize LIFE to deal directly and solely with the other spouse or trustee.
- The parties may continue to operate the LIFE business jointly on a "business-as-usual" basis, whereupon all compensation paid by LIFE will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Downline Organization of divorcing Spouses or a dissolving business entity be divided. Similarly, under no circumstances will LIFE split commission and bonus checks between divorcing Spouses or members of dissolving entities. LIFE will recognize only one Downline Organization and will issue only one commission check per LIFE business per commission cycle. Commission checks shall always be issued to the same individual.

If a former Spouse has completely relinquished all rights in the original LIFE business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six calendar months. The former Spouse shall have no rights to any

Members in his or her former organization or to any former retail customer. He or she must develop the new business in the same manner as would any other new Member.

### **3.27- Enrollment**

When enrolling a new Member, the Enroller may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the Independent Member Application and Agreement, LIFE's Policies and Procedures, and the LIFE Compensation Plan, as provided in Paragraph 4 of the Terms and Conditions of the Independent Member Application and Agreement. The Enroller may not fill out the Independent Member Application and Agreement on behalf of the applicant and agree to these materials on behalf of the applicant.

### **3.28- Succession**

Upon the death or incapacitation of a Member, his or her business may be passed to his or her heirs. The business can only be bequeathed to an individual or trust. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, a Member should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a LIFE business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Member's marketing organization provided the following qualifications are met.

The successor(s) must:

- Execute a Member Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased Member's status;
- Provide LIFE with an "address of record" to which all bonus and commission checks will be sent.

#### **3.28.1- Transfer Upon Death of a Member**

To effect a testamentary transfer of a LIFE business, the executor of the estate must provide the following to LIFE: (1) an original death certificate; (2) certified letters testamentary or a letter of administration appointing an executor; and (3) written instructions from the authorized executor to LIFE specifying to whom the business and income should be transferred.

#### **3.28.2- Transfer Upon Incapacitation of a Member**

To effectuate a transfer of a LIFE business because of incapacity, the successor must provide the following to LIFE: (1) a notarized copy of an appointment as trustee; and (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the LIFE business.

### 3.29- Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have “do not call” regulations as part of their telemarketing laws. Although LIFE does not consider Members to be “telemarketers” in the traditional sense of the word, these government regulations broadly define the term “telemarketer” and “telemarketing” so that your inadvertent action of calling someone whose telephone number is listed on the federal “do not call” registry could cause you to violate the law. Moreover, these regulations must not be taken lightly as they carry significant penalties.

Therefore, Members must not engage in telemarketing in the operation of their LIFE businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a LIFE product or service, or to recruit them for the LIFE opportunity. “Cold calls” made to prospective customers or Members that promote either LIFE’s products or services or the LIFE opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Member (a “prospect”) is permissible under the following situations:

- If the Member has an established business relationship with the prospect. An “established business relationship” is a relationship between a Member and a prospect based on the prospect’s purchase, rental, or lease of goods or services from the Member, or a financial transaction between the prospect and the Member, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.
- The prospect’s personal inquiry or application regarding a product or service offered by the Member, within the three (3) months immediately preceding the date of such a call.
- If the Member receives written and signed permission from the prospect authorizing the Member to call. The authorization must specify the telephone number(s) which the Member is authorized to call.
- Members may call family members, personal friends, and acquaintances. An “acquaintance” is someone with whom the Member has at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if the Member engages in “card collecting” with everyone he or she meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if a Member engages in calling “acquaintances,” the Member must make such calls on an occasional basis only and not make this a routine practice.
- Members shall not use automatic telephone dialing systems or software relative to the operation of their LIFE businesses.

- Members shall not place or initiate any outbound telephone call to any person that delivers any pre-recorded message (a “robocall”) regarding or relating to the LIFE products, services or opportunity.

### **3.30- Back Office Access**

LIFE makes online Back Offices available to its Members. Back Offices provide Members access to confidential and proprietary information that may be used solely and exclusively to promote the development of a Member’s LIFE business and to increase sales of LIFE products. LIFE reserves the right to deny a Member’s access to the Back Office at its sole discretion.

## **SECTION 4- RESPONSIBILITIES OF MEMBERS**

### **4.1- Change of Address, Telephone, and E-Mail Addresses**

To ensure timely delivery of products, support materials, commission, and tax documents, it is important that LIFE’s files are current. Street addresses are required for shipping since a post office box is not deemed a valid shipping address. A Member whose contact information changes, must amend his or her contact information through their Member Back Office.

### **4.2- Continuing Development Obligations**

#### **4.2.1- Ongoing Training**

Any Member who enrolls another Member into LIFE must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her LIFE business. Members must have ongoing contact and communication with the Members in their Downline Organization. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Members to LIFE meetings, training sessions, and other functions. Upline Members are also responsible to motivate and train new Members in LIFE product knowledge, effective sales techniques, the LIFE Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline Members must not, however, violate Sections 3.1 and/or 3.2 (regarding the development of Member-produced sales aids and promotional materials and advertising).

Members should monitor the Members in their Downline Organization to guard against downline Members making improper product or business claims, or engaging in any illegal or inappropriate conduct.

#### **4.2.2- Increased Training Responsibilities**

As Members progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the LIFE program. They will be called upon to share this knowledge with lesser experienced Members within their Downline Organization.

### **4.2.3- Ongoing Sales Responsibilities**

Regardless of their level of achievement, Members have an ongoing obligation to continue to personally promote sales through the generation of new customers and through servicing their existing customers.

### **4.3- Nondisparagement**

LIFE wants to provide its independent Members with the best products, Compensation Plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Member Services Department. Remember, to best serve you, we must hear from you! While LIFE welcomes constructive input, negative comments and remarks made in the field by Members about the Company, its products, or Compensation Plan serve no purpose other than to sour the enthusiasm of other LIFE Members. For this reason, and to set the proper example for their downline, Members must not disparage, demean, or make negative remarks about LIFE, other LIFE Members, LIFE's products, the Compensation Plan, or LIFE's owners, directors, officers, or employees.

### **4.4- Providing Documentation to Applicants**

Members must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are enrolling to become Members before the applicant signs an Independent Member Application and Agreement, or ensure that they have online access to these materials.

## **SECTION 5- SALES REQUIREMENTS**

### **5.1- Product Sales**

The Compensation Plan is based on the sale of LIFE products and services to end consumers. Members must fulfill personal and Downline Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. For each monthly commission period, a Member must have 50 points in customer subscription sales volume to be eligible for commissions. A new Member is given a 6 month grace period to meet this sales requirement.

### **5.2- No Territory Restrictions**

There are no exclusive territories granted to anyone.

### **5.3- Sales Receipts**

All Members must provide their retail customers with two copies of an official LIFE sales receipt at the time of the sale. These receipts set forth the 30-day money back guarantee as well as any consumer protection rights afforded by federal or state law. Members must maintain all retail sales receipts for a period of two years and furnish them to LIFE at the Company's request.

Remember that customers must receive two copies of the sales receipt. In addition, Members must orally inform the buyer of his or her cancellation rights.

## **SECTION 6- BONUSES AND COMMISSIONS**

### **6.1- Bonus and Commission Qualifications**

A Member must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Member complies with the terms of the Agreement, LIFE shall pay commissions to such Member in accordance with the Compensation Plan. Notwithstanding the foregoing, all commissions and bonuses owed to and earned by a Member will be paid at or about the end of each fiscal year or upon the termination of a Member's business.

### **6.2- Adjustment to Bonuses and Commissions**

#### **6.2.1- Adjustments for Returned Products and Services**

Members receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to LIFE for a refund or is repurchased by the Company, either of the following may occur at the Company's discretion: (1) the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted in the month in which the refund is given and continuing every pay period thereafter until the commission is recovered, from the upline Members who received bonuses and commissions on the sales of the refunded products; or (2) the Upline Members who earned commissions based on the sale of the returned products will have the corresponding points deducted from their Group Volume in the next month and all subsequent months until it is completely recovered.

#### **6.2.2- Hard Copy Commission Checks**

The Company pays commissions via direct deposit into Members' bank accounts. There is no charge for direct deposit. A Member may also request a hard-copy. The Company will deduct a \$7.50 processing fee from each hard-copy commission check issued.

### **6.3- Reports**

All information provided by LIFE in downline activity reports, including but not limited to personal and group sales volume (or any part thereof), and downline enrolling activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human, digital, and mechanical error, the accuracy, completeness, and timeliness of orders, the denial of credit card and electronic check payments, returned products, and credit card and electronic check charge-backs, the information is not guaranteed by LIFE or any persons creating or transmitting the information.

ALL PERSONAL AND GROUP SALES VOLUME INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, LIFE AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY MEMBER OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND/OR GROUP SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF LIFE OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, LIFE OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY. SEE ALSO THE TERMS AND CONDITIONS CONTAINED WITHIN THE INDEPENDENT LIFE MEMBER APPLICATION AND AGREEMENT, INCLUDING BUT NOT LIMITED TO PARAGRAPH 8.

Access to and use of LIFE's online reporting services and a Member's reliance upon such information is at the Member's own risk. All such information is provided to the Members "as is". If a Member is dissatisfied with the accuracy or quality of the information, the Member's sole and exclusive remedy is to discontinue use of and access to LIFE's online reporting services and reliance upon the information.

## **SECTION 7- PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE**

### **7.1- Returns by Retail Customers or Members**

LIFE and its Members offer a 100% 30 day money-back guarantee to all retail customers and Members. Every Member is bound to honor the retail customer guarantee. If, for any reason, a retail customer is dissatisfied with any LIFE product or service, the retail customer may return the resalable portion of the product to the Member from whom it was purchased, or LIFE if purchased directly, within 30 days for a replacement, exchange or a full refund of the purchase price (less shipping costs).

A retail customer who makes a purchase of \$25.00 or more has three business days (72 hours, excluding Sundays and legal holidays) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the order form or sales receipt (5 days for Alaska residents). When a Member makes a sale or takes an order from a retail customer who cancels or requests a refund within the 72 hour period, the Member must promptly refund the customer's money as long as the products are returned to the Member in substantially as good condition as when received (5 days for Alaska residents). Members must orally inform customers of their right to rescind a purchase or an order within 72 hours (5 days for Alaska residents), and ensure that the date of the order or purchase is entered on the order form. All retail customers must be provided with two copies of an official LIFE sales receipt at

the time of the sale. The back of the receipt provides the customer with written notice of his or her rights to cancel the sales agreement.

## **7.2- Return of Inventory and Sales Aids by Members Upon Cancellation**

Upon cancellation of a Member's Agreement, the Member may return Business Starter Kits, products and sales aids that he or she personally purchased from LIFE (purchases from other Members or third parties are not subject to refund) that are in Resalable condition and which have been purchased within one year prior to the date of cancellation. Subscription products are non-resalable items and therefore returns of these products fall under the 30 days return policy detailed in section 7.1. Upon receipt of a Resalable Business Starter Kit and/or Resalable products and sales aids, the Member will be reimbursed 90% of the net cost of the original purchase price(s). Neither shipping and handling charges incurred by a Member when the Business Starter Kit, products or sales aids were purchased, nor return shipping fees, will be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If a Member was paid a commission based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the commission that was paid based on that product purchase will be processed according to section 6.2.1.

### **7.2.1- Montana Residents**

A Montana resident may cancel his or her Member Agreement within 15 days from the date of enrollment, and may return his or her Business Starter Kit for a full refund within such time period.

## **7.3- Procedures for All Returns**

The following procedures apply to all returns for refund, repurchase, or exchange:

- All merchandise must be returned by the Member or customer who purchased it directly from LIFE.
- All products to be returned must have a Return Material Authorization Number (RMA#) which is obtained by emailing [lifesupport@the-life-business.com](mailto:lifesupport@the-life-business.com). This Return Material Authorization Number must be written on each carton returned. The RMA# is valid for 30 days from the date of issuance.
- The return must be accompanied by:
  - The original packing slip with the completed and signed Consumer Return Information Form;
  - The unused portion of the product in its original container.
- Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. All returns must be

shipped to LIFE shipping pre-paid. LIFE does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the Member. If returned product is not received by the Company's Distribution Center, it is the responsibility of the Member to trace the shipment.

- If a Member is returning merchandise to LIFE that was returned to him or her by a personal retail customer, the product must be received by LIFE within ten (10) days from the date on which the retail customer returned the merchandise to the Member, and must be accompanied by the sales receipt the Member gave to the customer at the time of the sale.

No refund or replacement of product will be made if the conditions of these rules are not met.

## **SECTION 8- DISPUTE RESOLUTION BETWEEN MEMBERS**

### **8.1- Grievances, Complaints and Disputes Between Members**

If a Member has a grievance or complaint against another Member regarding any practice or conduct arising out of or relating to their respective LIFE businesses and/or the Agreement ("Grievance or Complaint"), or a controversy, claim or dispute with another Member arising out of or relating to their respective LIFE businesses and/or the Agreement ("Dispute"), the procedures described in Sections 8.2, 8.3, 8.4 and 8.5 shall apply.

### **8.2- Informal Resolution**

#### **8.2.1- Enroller/Upline Leader Resolution**

If a Member has a Grievance or Complaint against, or a Dispute with, another Member, the complaining Member must first report the problem to his or her Enroller or one of his or her Upline Leaders (as defined in the Compensation Plan) who will review the matter and try to resolve it with the other Member's Enroller or Upline Leader. If the Enrollers or Upline Leaders are unable to resolve the Grievance, Complaint or Dispute and, if applicable, the Member is not satisfied with the Member Services Department's proposed resolution of the issue as provided for in Section 8.2.2, the Member must thereafter request non-binding mediation pursuant to Section 8.3, and if non-binding mediation does not resolve the Grievance, Complaint or Dispute, it must be submitted to binding arbitration pursuant to Section 8.4.

#### **8.2.2- Member Services Department Resolution**

If the Grievance, Complaint or Dispute referred to in Section 8.2.1 involves the interpretation or violation of Company policy or procedure or the Agreement, it must be reported in writing to the Member Services Department at the Company. The Member Services Department will review and investigate the facts and attempt to resolve the Grievance, Complaint or Dispute. If a Member is dissatisfied with the result reached by the Member Services Department, the Member must thereafter request non-binding mediation pursuant to

Section 8.3, and if non-binding mediation does not resolve the Grievance, Complaint or Dispute, it must be submitted to binding arbitration pursuant to Section 8.4.

### **8.3- Non-Binding Mediation**

#### **8.3.1- Request for Non-Binding Mediation**

If a Member is dissatisfied with the resolution reached by the Enrollers or Uplines relative to a Grievance, Complaint or Dispute described in Section 8.2.1 or the result reached by the Member Services Department relative to a Grievance, Complaint or Dispute described in Section 8.2.2, the Member shall make a request in writing for non-binding mediation. The request shall be delivered to the other Member and the Member Services Department. However, the Member is not required to request non-binding mediation if any portion of the relief it seeks is injunctive or other equitable relief. In such case, the Member may seek immediate injunctive or equitable relief through the procedures available through the American Arbitration Association (“AAA”) including, but not limited to, the AAA’s Optional Rules for Emergency Measures of Protection.

#### **8.3.2- Selection of Mediator**

Within 10 days of making the request for mediation, the Members shall select a mutually acceptable mediator and notify the Member Services Department of the selection. If the Members cannot agree upon a mediator within the requisite 10-day period, a mediator will be appointed by the Member Services Department.

#### **8.3.3- Consolidation**

Claims involving multiple parties may be consolidated for mediation if they satisfy the joinder rules of the Federal Rules of Civil Procedure. The Mediator may decide any disputed consolidation issues.

#### **8.3.4- Mediation Proceedings**

The Company has the right, at its option, to intervene and participate in mediation. The mediation shall occur within 60 days of appointment of the mediator in a location designated by the mediator, and shall last no more than two business days. The parties shall negotiate in good faith to reach a mutually acceptable resolution. The mediator’s fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally among the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorneys fees, costs, and individual expenses associated with conducting and attending the mediation. At the conclusion of the mediation, the Mediator shall confirm in a writing also signed by the parties the terms of the resolution reached and the date of resolution. If resolution was not reached, the Mediator shall state in a writing given to the parties the date upon which the mediation concluded.

### **8.4- Binding Arbitration**

#### **8.4.1- Agreement to Arbitrate**

If the Grievance, Complaint or Dispute among Members is not resolved by mediation, the Members expressly agree to resolve and settle the Grievance, Complaint or Dispute through binding arbitration before a single arbitrator administered by the American Arbitration Association (“AAA”) in accordance with the AAA’s Commercial Arbitration Rules (“Rules”), and knowledgeable and intentionally waive any right to a jury trial and/or court adjudication. The Rules include, as appropriate, the Rules relating to Expedited Procedures, Procedures for Large, Complex, Commercial Disputes, and the Optional Rules for Emergency Measures of Protection. The Rules are available on AAA’s website at [www.adr.org](http://www.adr.org) and will be emailed to Members upon request to LIFE’s Member Services Department. The decision of the Arbitrator shall be final and binding on the parties, and judgment on the award of the Arbitrator may be entered in a court having jurisdiction pursuant to Section 8.5.

This agreement to arbitrate includes all of the terms and provisions contained in this Section and applicable provisions of the Agreement, and is supported by adequate and sufficient consideration including, but not limited to, the reciprocal consent of other Members and consideration provided to the Members in other provisions of the Agreement. This agreement to arbitrate shall survive cancellation or termination of the Agreement and shall remain effective with regard to all Grievances, Complaints and Disputes within its scope, irrespective of whether one or more parties are no longer Members or otherwise affiliated with LIFE.

The Member understands and agrees that pursuant to Section 1.2, the Company reserves the right, in its sole and absolute discretion, to amend the Agreement (including the provisions of Section 8) and to insert additional terms. The Member expressly acknowledges that the period of notice provided before an amendment or modification takes effect, the Member’s right to cancel the Agreement at any time regardless of reason (as provided in Section 11.3), and other benefits provided Members under the Agreement are individually and collectively sufficient consideration for the Agreement and any amendments and modifications thereto, and the Company’s right to amend and modify does not negate mutuality of obligation or otherwise invalidate the enforceability of the Agreement, including the provisions of Section 8. To the extent that the Member has any right to challenge the enforceability of the Agreement (including the provisions of Section 8) on this basis, the Member knowledgeable, intentionally and expressly waives that right. Further, the Member understands and agrees that the Member’s assent to any particular amendment or modification is manifested by the Member’s continued operation as a LIFE Member following the period of notice provided by the Company for amendments and modifications under Section 1.2.

#### **8.4.2- Time for Demand and Company’s Right to Intervene**

The arbitration shall be deemed to have commenced on the date the demand for arbitration is filed. The demand for arbitration must be made within one year of the date of the alleged conduct giving rise to the Grievance, Complaint, or Dispute (“limitations period”) but the limitations period will be tolled from the date a request for mediation is made through the date the Mediator notifies the parties that the mediation is concluded. A copy of the arbitration demand or claim must be sent to the Member Services Department within one week of the date the arbitration demand or claim is filed with the AAA. The Company has the right, at its option, to intervene and participate in the arbitration.

### **8.4.3- Appointment and Authority of Arbitrator**

The parties shall select one arbitrator pursuant to AAA procedures for the appointment of arbitrators. The Arbitrator has exclusive authority: (a) to decide Grievances, Complaints and Disputes among Members, as described in Section 8.1; (b) to decide disputes relating to the interpretation, applicability, validity, formation and enforceability of the Agreement or any provision of the Agreement; (c) to decide disputes relating to the interpretation, scope, applicability, validity, formation and enforceability of this Section 8.4 agreement to arbitrate, including the provision delegating authority to the Arbitrator; (d) to determine whether the parties are otherwise bound by the arbitration agreement contained in this Section 8.4; and (e) to determine whether the parties' dispute is arbitrable. The Arbitrator is authorized to grant injunctive and other equitable relief as well as monetary damages.

### **8.4.4- Arbitration Proceeding**

It is intended that arbitration be conducted in a cost-effective and efficient manner, and the AAA Rules and the provisions contained herein must be construed to that end. Notwithstanding the AAA rules, and consistent with the requirement that arbitration be conducted in a cost-effective and efficient manner, the following rules shall apply to all arbitrations:

- A final ruling must be rendered within 180 days of commencement of arbitration.
- The arbitration hearing shall last no longer than five business days, with each party being allotted an equal amount of time to make arguments, present evidence, and conduct cross-examination.
- For efficiency and cost-savings, a reasoned award shall not be rendered.
- The Arbitrator may adhere to the Federal Rules of Evidence.
- The Arbitrator may allow discovery under the Federal Rules of Civil Procedure, but the amount and type of discovery must be consistent with the goal of completing a cost-effective and efficient arbitration within 180 days.
- All arbitration proceedings shall be held at a location agreed upon by the parties and approved by the Arbitrator. If the parties cannot agree, the location shall be determined by the Arbitrator.
- The fees and costs assessed by the AAA, the fees and expenses of the Arbitrator, and any expenses associated with the hearing location shall be equally shared by the parties.
- Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees.

If there is a conflict between the AAA Rules and the provisions of this Agreement (including Section 8), the provisions of this Agreement (including Section 8) must be followed.

#### **8.4.5- Confidentiality**

The parties and the Arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose to any person not directly involved in the arbitration process:

- The substance of, or basis for, the Grievance, Complaint or Dispute;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award;
- The rulings of the Arbitrator on the procedural and/or substantive issues involved in the case.

The confidentiality obligation shall survive the arbitration proceeding and cancellation or termination of the Agreement, and shall remain effective and binding irrespective of whether the party is no longer a Member or otherwise affiliated with the Company.

Notwithstanding the above, this confidentiality requirement shall not be construed in a manner which prohibits a party from, in good faith, investigating a claim or defense, including interviewing witnesses and otherwise engaging in discovery, or from obtaining and preparing witnesses to testify.

#### **8.4.6- Class Action Arbitration Prohibited**

Nothing in the Agreement shall be construed as permitting class action arbitration. The Members expressly do not agree to class action arbitration and any claim asserted by a Member must be brought in the Member's individual capacity and not in any class or representative capacity.

#### **8.4.7- Consolidation of Claims**

For efficiency, claims involving multiple parties may be consolidated before a single Arbitrator if they satisfy the joinder requirements of the Federal Rules of Civil Procedure. The Arbitrator will decide any disputed consolidation issues.

#### **8.5- Governing Law, Jurisdiction and Venue**

The United States Arbitration Act (also known as the Federal Arbitration Act) shall govern all matters relating to arbitration. The law of the State of Michigan, without giving effect to conflicts of law rules, shall govern all other matters relating to or arising from the Agreement and the LIFE business. Actions to enter judgment on the arbitration award and/or to enforce the arbitration award (or any interlocutory order entered by the Arbitrator) shall be brought exclusively in the United States District Court for the Eastern District of Michigan or in the

Michigan state court in Genesee County, Michigan. Member expressly consents to submit to the personal jurisdiction of the United States District Court for the Eastern District of Michigan and to the Michigan state court in Genesee County, Michigan, and waives any right to contest the assertion of personal jurisdiction over the Member in these courts. Member also waives any objection that such courts do not provide a convenient forum.

## **SECTION 9- DISPUTE RESOLUTION BETWEEN MEMBER AND COMPANY**

### **9.1- Disputes Between Members and the Company**

This Section 9 prescribes the disciplinary sanctions, non-binding mediation procedure, and the process established for the resolution of any claim, demand, controversy or dispute between a Member and the Company arising out of or relating to the Agreement and/or the LIFE business. It also prescribes the governing law and applicable limitations period.

### **9.2- Disciplinary Sanctions**

The Company may, in its discretion, take one or more of the following actions if a Member violates the Agreement or any common law duty, including but not limited to any applicable duty of loyalty; engages in any illegal, fraudulent, deceptive or unethical business conduct relating to the Member's LIFE business; or commits any act or omission that, in the sole discretion of the Company, may damage the Company's reputation or goodwill (such damaging act or omission need not be related to the Member's LIFE business):

- Issue a written warning or admonition;
- Require the Member to take immediate corrective measures;
- Impose a fine, which may be withheld from bonus and commission checks;
- Withhold one or more bonus and commission checks;
- Suspend the Member's Agreement for one or more pay periods;
- Permanently or temporarily revoke or reduce the current and/or lifetime rank of a Member (which may subsequently be achieved again by the Member);
- Transfer or removal of some or all of a Member's downline Members from his or her Downline Organization.
- Terminate the Member's Agreement;
- Suspend and/or terminate the Member's LIFE website or website access;

- Take any other measure allowed under the Agreement or by law.

LIFE may withhold from a Member all or part of the Member's bonuses and commissions during the period that LIFE is investigating any conduct described above in this Section 9.2. If a Member's Agreement is terminated, bonuses and commissions withheld during the investigation period will be deemed not to have been earned and owed, and the Member will not be entitled to recover them.

### **9.3- Non-Binding Mediation**

#### **9.3.1- Company's Request for Non-Binding Mediation**

If the Company desires to take further action against a Member to redress acts, omissions or conduct described in Section 9.2, or if the disciplinary action taken against the Member does not adequately resolve the act, omission or conduct described in Section 9.2 above, and/or if the Company desires to assert a claim of any nature against the Member arising out of or relating to the Agreement and/or the LIFE business, the Company must first notify the Member in writing that it is making a request for non-binding mediation and comply with the provisions of this Section 9.3.

#### **9.3.2- Member's Request for Non-Binding Mediation**

If a Member is dissatisfied with, objects to, or desires to challenge any disciplinary action taken pursuant to Section 9.2 above, or otherwise desires to assert a claim of any nature against the Company arising out of or relating to the Agreement and/or the LIFE business, the Member must first make a request in writing for non-binding mediation, deliver the request to the Member Services Department of the Company, and comply with the provisions of this Section 9.3.

#### **9.3.3- Injunctive or Equitable Relief**

Notwithstanding the above, neither a Member nor the Company is required to first request non-binding mediation if any portion of the relief it seeks from the other party is injunctive or other equitable relief.

#### **9.3.4- Selection of Mediator**

Within 10 days of making or receiving a request for mediation, the Member and the Company shall select a mutually acceptable mediator. If the Member and the Company cannot agree upon a mediator within the requisite 10-day period, the parties shall utilize the other alternatives provided by the American Arbitration Association for selection of a mediator.

#### **9.3.5- Consolidation**

For efficiency, claims involving multiple parties may be consolidated for mediation if they satisfy the joinder rules of the Federal Rules of Civil Procedure. The Mediator may decide any disputed consolidation issues.

### **9.3.6- Mediation Proceeding**

The mediation shall occur within 60 days of appointment of the mediator in a location designated by the mediator, and shall last no more than two business days. The parties shall negotiate in good faith to reach a mutually acceptable resolution. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally among the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorneys fees, costs, and individual expenses associated with conducting and attending the mediation. At the conclusion of the mediation, the Mediator must confirm in a writing signed by the parties the terms of the resolution reached and the date of resolution. If resolution was not reached, the Mediator shall state in a writing given to the parties the date upon which the mediation concluded.

### **9.4- Election of Forum for Further Dispute Resolution**

If mediation does not resolve the claim, demand, controversy or dispute between the Member and the Company, and if either the Member or the Company initiates an action against the other in a court of law having jurisdiction under Section 9.7 of this Agreement, the parties hereby agree that the party against whom the action is commenced, whether the Member or the Company, may elect to require that the claim, demand, controversy or dispute be resolved and settled by binding arbitration pursuant to Section 9.6 below.

Similarly, if mediation does not resolve the claim, demand, controversy or dispute between the Member and the Company, and if either the Member or the Company initiates arbitration against the other pursuant to Section 9.6 of this Agreement, the parties hereby agree that the party against whom the arbitration is commenced, whether the Member or the Company, may elect to require that the claim, demand, controversy or dispute be resolved in a court of law having jurisdiction pursuant to Section 9.7 below.

This forum election afforded to a party against whom a claim, demand, controversy or dispute is asserted must be made within the lesser of thirty (30) days of the date the complaint initiating the action or the demand initiating the arbitration is served upon the electing party, or the time by which the electing party must respond to the complaint or demand.

### **9.5- Limitations Period**

Any action arising out of or relating to a claim, demand, controversy or dispute described in Section 9.2, the Agreement and/or the LIFE business, whether asserted in court or arbitration, must be commenced within one year of the date of the alleged conduct giving rise to the claim, demand, controversy or dispute ("limitations period"), but the limitations period will be tolled from the date a request for mediation is made through the date the Mediator notifies the parties that the mediation is concluded.

## **9.6- Binding Arbitration**

### **9.6.1- Agreement to Arbitrate**

If the party against whom a claim, demand, controversy or dispute arising out of or relating to the Agreement and/or the LIFE business is asserted (whether the Member or the Company), elects the arbitration forum under Section 9.4 by either acquiescing to the arbitration forum initiated by the other party or by requiring that a court action be pursued in arbitration, the Member and the Company expressly agree to resolve and settle the claim, demand, controversy or dispute through binding arbitration before a single arbitrator administered by the American Arbitration Association (“AAA”) in accordance with the AAA’s Commercial Arbitration Rules (“Rules”), and knowingly and intentionally waive any right to a jury trial and/or court adjudication. The Rules include as appropriate, the Rules relating to Expedited Procedures, Procedures for Large, Complex, Commercial Disputes, and the Optional Rules for Emergency Measures of Protection. The Rules are available on AAA’s website at [www.adr.org](http://www.adr.org) and will be emailed to Members upon request to LIFE’s Member Services Department. The decision of the Arbitrator shall be final and binding on the parties, and judgment on the award of the Arbitrator may be entered in a court having jurisdiction pursuant to Section 9.7.

This agreement to arbitrate includes all of the terms and provisions contained in this Section and other applicable provisions of the Agreement, and is supported by adequate and sufficient consideration including, but not limited to, the reciprocal consent of Members and the Company, and consideration provided by the Company to the Members in other provisions of the Agreement. This agreement to arbitrate shall survive cancellation or termination of the Agreement and shall remain effective with regard to all claims, demands, controversies and disputes within its scope, irrespective of whether one or more parties are no longer Members or otherwise affiliated with the Company.

The Member understands and agrees that pursuant to Section 1.2, the Company reserves the right, in its sole and absolute discretion, to amend the Agreement (including the provisions of Section 9) and to insert additional terms. The Member expressly acknowledges that the period of notice provided before an amendment or modification takes effect, the Member’s right to cancel the Agreement at any time regardless of reason (as provided in Section 11.3), and other benefits provided Members under the Agreement are individually and collectively sufficient consideration for the Agreement and any amendments and modifications thereto, and the Company’s right to amend and modify does not negate mutuality of obligation or otherwise invalidate the enforceability of the Agreement, including the provisions of Section 9. To the extent that the Member has any right to challenge the enforceability of the Agreement (including the provisions of Section 9) on this basis, the Member knowingly, intentionally and expressly waives that right. Further, the Member understands and agrees that the Member’s assent to any particular amendment or modification is manifested by the Member’s continued operation as a LIFE Member following the period of notice provided by the Company for amendments and modifications under Section 1.2.

### **9.6.2- Appointment and Authority of Arbitrator**

The parties shall select one arbitrator pursuant to AAA procedures for the appointment of arbitrators. The Arbitrator has exclusive authority: (a) to decide all claims, demands, controversies and disputes between a Member and the Company that are described in Section 9.2 and/or that arise out of or relate to the Agreement and/or the LIFE business, including but not limited to disputes relating to the interpretation, applicability, validity, formation and enforceability of the Agreement or any provision of the Agreement; (b) to decide all claims, demands, controversies and disputes relating to the interpretation, scope, applicability, validity, formation and enforceability of this agreement to arbitrate, including the provision delegating authority to the Arbitrator; (c) to determine whether the parties are otherwise bound by the arbitration agreement; and (d) to determine whether the claim, demand, controversy or dispute is arbitrable. The Arbitrator is authorized to grant injunctive and other equitable relief as well as monetary damages.

### **9.6.3- Arbitration Proceedings**

It is intended that arbitration be conducted in a cost-effective and efficient manner, and the AAA Rules and the provisions contained herein must be construed to that end. Notwithstanding the AAA rules, and consistent with the requirement that arbitration be conducted in a cost-effective and efficient manner, the following rules shall apply to all arbitrations:

- The arbitration shall commence on the date the demand for arbitration is filed. A final ruling must be rendered within 180 days of commencement of arbitration.
- The arbitration hearing shall last no longer than five business days, with each party being allotted an equal amount of time to make arguments, present evidence, and conduct cross-examination.
- For efficiency and cost-savings, a reasoned award shall not be rendered.
- The Arbitrator may adhere to the Federal Rules of Evidence.
- The Arbitrator may allow discovery under the Federal Rules of Civil Procedure, but the amount and type of discovery must be consistent with the goal of completing a cost-effective and efficient arbitration within 180 days.
- All arbitration proceedings shall be held at a location agreed upon by the parties and approved by the Arbitrator. If the parties cannot agree, the location shall be determined by the Arbitrator.
- The fees and costs assessed by the AAA, the fees and expenses of the Arbitrator, and any expenses associated with the hearing location shall be equally shared by the parties (“Shared Costs”). In the event of extreme

financial hardship, the Company at its option may advance part of a Member's portion of the Shared Costs if the Member enters into a repayment agreement on terms that are satisfactory to the Company.

- Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees.

If there is a conflict between the AAA Rules and the provisions of this Agreement (including Section 9), the provisions of this Agreement (including Section 9) must be followed.

#### **9.6.4- Confidentiality**

The parties and the Arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose to any person not directly involved in the arbitration process:

- The substance of, or basis for, the claim, demand, controversy or dispute;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award;
- The rulings of the Arbitrator on the procedural and/or substantive issues involved in the case.

The confidentiality obligation shall survive the arbitration proceeding and cancellation or termination of the Agreement, and shall remain effective and binding irrespective of whether the party is no longer a Member or otherwise affiliated with the Company.

Notwithstanding the above, this confidentiality requirement shall not be construed in a manner which prohibits a party from, in good faith, investigating a claim or defense, including interviewing witnesses and otherwise engaging in discovery, or from obtaining and preparing witnesses to testify.

#### **9.6.5- Class Action Arbitration Prohibited**

Nothing in the Agreement shall be construed as permitting class action arbitration. The Member and the Company expressly do not agree to class action arbitration and any claim asserted by a Member must be brought in the Member's individual capacity and not in any class or representative capacity.

#### **9.6.6- Consolidation of Claims**

For efficiency, claims involving multiple parties may be consolidated before a single Arbitrator if they satisfy the joinder requirements of the Federal Rules of Civil Procedure. The Arbitrator will decide any disputed consolidation issues.

## **9.7- Governing Law, Jurisdiction and Venue**

The United States Arbitration Act (also known as the Federal Arbitration Act) shall govern arbitration. The law of the State of Michigan, without giving effect to conflicts of law rules, shall govern all matters relating to or arising from the Agreement and/or the LIFE business. Any court proceeding permitted by this Agreement, and any action to enter judgment on the arbitration award and/or to enforce the arbitration award (or any interlocutory order entered by the Arbitrator), shall be brought exclusively in the United States District Court for the Eastern District of Michigan or in the Michigan state court in Genesee County, Michigan. Member expressly consents to submit to the personal jurisdiction of the United States District Court for the Eastern District of Michigan and to the Michigan state court in Genesee County, Michigan, and expressly waives any right to contest the assertion of personal jurisdiction over the Member in these courts. Member also waives any objection that such courts do not provide a convenient forum.

### **9.7.1- Louisiana Residents**

Notwithstanding the foregoing, and the arbitration agreement in Section 9.6, residents of the State of Louisiana shall be entitled to bring an action against the Company in their home forum and pursuant to Louisiana law.

## **SECTION 10- SALES TAXES**

### **10.1- Sales Taxes**

LIFE is required to charge sales taxes on all purchases made by Members and Customers, and remit the taxes charged to the respective states. Accordingly, LIFE will collect and remit sales taxes on behalf of Members, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If a Member has submitted, and LIFE has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Member. Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by LIFE is not retroactive.

## **SECTION 11- INACTIVITY, RECLASSIFICATION, AND CANCELLATION**

### **11.1- Effect of Cancellation**

So long as a Member remains active and complies with the terms of the Agreement, including these Policies and Procedures, LIFE shall pay commissions to such Member in accordance with the Compensation Plan. A Member's bonuses and commissions constitute the entire consideration for the Member's efforts in generating sales and all activities related to generating sales (including building a Downline Organization). Following a Member's non-renewal of his or her Agreement, cancellation for inactivity, or voluntary or involuntary

cancellation of his or her Agreement (all of these methods are collectively referred to as “cancellation”), the former Member shall have no right, title, claim or interest to the Downline Organization which he or she operated, or any commission or bonus from the sales generated by the Downline Organization. **Upon cancellation, a Member will lose all rights as a Member. This includes the right to sell LIFE products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Member’s former Downline Organization. In the event of cancellation, Members agree to waive all rights they may have, including but not limited to property rights, to their former Downline Organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former Downline Organization.**

Following cancellation of a Member’s Agreement, the former Member shall not hold himself or herself out as a LIFE Member and shall not have the right to sell LIFE products or services. A Member whose business is cancelled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

### **11.2- Involuntary Cancellation**

A Member’s violation of any of the terms of the Agreement, including any amendments or modifications that may be made by LIFE in its sole discretion, may result in any of the sanctions listed in Section 9, including the involuntary cancellation of his or her Agreement. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the Member’s last known address, email address, or fax number, or to his/her attorney, or when the Member receives actual notice of cancellation, whichever occurs first.

LIFE reserves the right to terminate all Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; or (2) terminate distribution of its products via direct selling.

### **11.3- Voluntary Cancellation**

A Member has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address or faxed or scanned and emailed to [lifesupport@the-life-business.com](mailto:lifesupport@the-life-business.com). The written notice must include the Member’s signature, printed name, address, and Member I.D. Number.

### **11.4- Non-renewal**

A Member may also voluntarily cancel his or her Agreement by failing to renew the Agreement on its anniversary date. The Company may also elect not to renew a Member’s Agreement upon its anniversary date.

## **SECTION 12- DEFINITIONS**

**Active Customer** - A Customer who purchases LIFE products.

**Active Member** - A Member who satisfies the minimum Personal Sales Volume requirements, as set forth in the LIFE Compensation Plan, to ensure that he or she is eligible to receive bonuses and commissions.

**Active Rank** - The term “active rank” refers to the current rank of a Member, as determined by the LIFE Compensation Plan, for any pay period. To be considered “active” relative to a particular rank, a Member must meet the criteria set forth in the LIFE Compensation Plan for his or her respective rank. (See the definition of “Rank” below.)

**Agreement** - The contract between the Company and each Member includes the Independent Member Application and Agreement, the LIFE Policies and Procedures, and the LIFE Compensation Plan, all in their current form and as amended or modified by LIFE in its sole discretion. These documents are collectively referred to as the “Agreement.”

**Back Office** - LIFE provides numerous business management tools and reports to assist and support each Member in the development of their business.

**Business Starter Kit** - A selection of LIFE training materials and business support literature that each new LIFE Member is required to purchase (optional in North Dakota, Massachusetts, Wyoming and Louisiana for residents of those states).

**Cancel** - The termination of a Member’s business. Cancellation may be either voluntary, involuntary, or through non-renewal.

**Downline Team** - Each one of the individuals enrolled immediately underneath you and their respective Downline Organizations represents one “Team” in your Downline Organization.

**Downline Organization** - All individuals enrolled in each of your Downline Teams.

**Enroller** – A Member who enrolls a Customer or another Member into the Company, and is listed as the Enroller on the Independent Member Application and Agreement. The act of enrolling others and training them to become Members is called “enrolling.”

**Group Volume** – Subscription and product volume by an individual member’s Downline Organization.

**Group Website** – A website that is restricted to a Member’s Upline and Downline Organization.

**Household** – Spouses and heads-of-household residing in the same residence.

**Level** - The layers of downline Customers and Members in a particular Member’s Downline Organization. This term refers to the relationship of a Member relative to a particular Upline Member, determined by the number of Members between them who are related by sponsorship. For example, if A enrolls B, who enrolls C, who enrolls D, who enrolls E, then E is on A’s fourth level.

**Official LIFE Material** - Literature, audio or video tapes, websites, and other materials developed, printed, published and/or distributed by LIFE to Members.

**Personal Volume** - The commissionable value of services and products purchased by: (1) a Member; and (2) the Member's personal Retail Customers.

**Rank** - The "title" that a Member holds pursuant to the LIFE Compensation Plan.

- Career Rank – The highest rank a Member has achieved in the LIFE Compensation Plan.
- Current Year Rank – The highest rank achieved by a Member in the current year.
- Paid as Rank – The rank at which a Member is qualified to earn commissions and bonuses during the current pay period.

**Recruit** - For purposes of Section 3.10, the term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another LIFE Member, advisor, manager, employee, customer or vendor of LIFE to do an act.

**Replicated Website** - A website provided by LIFE or an authorized supplier to Members which utilizes website templates developed by LIFE.

**Resalable** - Products and Sales aids shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and 4) it is returned to LIFE within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

**Retail Customer** - An individual who purchases LIFE products from a Member but who is not a participant in the LIFE Compensation Plan.

**Social Media** - Any type of online media that invites, expedites or permits conversation, comment, rating, and/or user generated content, as opposed to traditional media, which delivers content but does not allow readers/viewers/listeners to participate in the creation or development of content, or the comment or response to content. Examples of Social Media include, but are not limited to, blogs, chat rooms, FaceBook, MySpace, Twitter, LinkedIn, and YouTube.

**Spouses** – Husbands or wives or common-law couples.

**Upline** - This term refers to the Member or Members above a particular Member in an enrollment line up to the Company. It is the line of enrollment that links any particular Member to the Company.