

## **Topanga Scents Distributor Rules and Regulations**

### **SECTION ONE: Distributor STATUS**

#### **1. BECOMING A DISTRIBUTOR**

An applicant becomes a Distributor ("Distributor") of Topanga Scents when the applicant's completed Application and Agreement has been received and accepted by the Company, by Internet or by mail, at its Home Office. The Company reserves the right to decline any Agreement for any reason.

A Distributor uses his or her best effort to promote and sell products and services of Company to consumers pursuant to the Agreement contained within these Policies and Procedures and Terms and Conditions. In doing so, Distributors will maintain the high standards of honesty, integrity, and business ethics when dealing with Consumers, the Company, or other Company Distributors.

#### **DISTRIBUTOR OBLIGATIONS & RIGHTS**

Distributors are authorized to sell Company products and services and to participate in the Distributor Compensation Plan. Distributors may sponsor new Distributors.

##### **1.01 LEGAL AGE**

Distributors must be of legal age in the state / province / country of their residence.

##### **1.02 DIVORCE**

When a couple sharing Distributor entity divorces or separates, Company will continue to pay commission checks in the same manner as before the divorce or separation until it receives written notice signed by both parties or a court decree which specifies how future commission checks should be paid, provided and if applicable, the couple has complied with the requirements of Section 5.03.

##### **1.03 CORPORATIONS, PARTNERSHIPS & TRUSTS**

Corporations, partnerships, limited liability companies or other forms of business organizations or trusts may become Distributors of the Company when the Agreement is accompanied by a federal ID number.

Shareholders, directors, officers, partners, members, beneficiaries, and trustees, as applicable of Distributor entity must agree to hold such title, and the Company will hold each personally liable and bound by the Agreement and these Policies and Procedures and Terms and Conditions.

##### **1.04 FICTITIOUS OR ASSUMED NAMES**

A person or entity may not apply as a Distributor using a fictitious or assumed name.

##### **1.05 INDEPENDENT CONTRACTOR STATUS**

Distributors are Independent Contractors. They are not franchisees, joint ventures, partners, employees, or agents of the Company and are prohibited from stating or implying, whether orally or in writing, otherwise. Distributors have no authority to bind

**Company to any obligation. Company is not responsible for payment or co-payment of any employee benefits. Distributors are responsible for liability, health disability and worker's compensation insurance. Distributors set their own hours and determine how to conduct business, subject to Company Agreement, the Policies and Procedures and Terms and Conditions.**

#### **1.06 TAXATION**

**As Independent Contractors, Distributors will not be treated as franchisees, owners, employees or agents of Company for federal or state tax purposes including, with respect to the Internal Revenue Code, Social Security Act, federal unemployment act, state unemployment acts or any other federal, state, or local statute, ordinance, rule or regulation. At the end of each calendar year, the Company will issue to each Distributor an IRS Form 1099, as required by law, or other applicable documentation for non-employee compensation as a Distributor.**

#### **1.7 DISTRIBUTOR IDENTIFICATION NUMBER**

**Distributors are required by federal law to obtain a Social Security number or Federal ID number. Distributors will be identified by this number, or a company assigned number, for purposes of Company's business. The Distributor Identification Number must be placed on all orders and correspondence with the Company.**

#### **1.8 LEGAL COMPLIANCE**

**Distributors must comply with all federal, state, and local statutes, regulations and ordinances concerning the operation of their business. Distributors are responsible for their own managerial decisions and expenditures including all estimated income and self-employment taxes.**

#### **1.9 NO EXCLUSIVE TERRITORIES**

**No franchise is granted and there are no exclusive territories for sales or sponsoring purposes. No geographical limitations exist on sponsoring or selling within the United States; provided, however, that Company reserves the right not to sell product or services or contract with Distributors in specified states or provinces within the United States.**

### **SECTION TWO: TERM & RENEWAL**

#### **2.01 TERM**

**Subject to the terms of Section 4.01, the Agreement shall have a term which shall begin on the date of acceptance by Company and end one year from the date thereof (the "Anniversary Date").**

**Distributors must renew monthly, on the anniversary date, and a Distributor has the right to decline to accept any renewal at his or her sole discretion. This renewal fee can be automatically paid by setting up automatic payments in the Distributor's backoffice. The Company may require that Distributors execute a new agreement upon renewal. Distributors not renewing by the renewal date shall be deemed to have voluntarily terminated their Distributor relationship with the Company, and thereby lose his or her Distributor entity, all sponsorship rights, their position in the compensation plan and all**

rights to commissions and bonuses. Distributors who fail to renew their Distributor status may not reapply under a new sponsor for three (3) months after non-renewal.

### **SECTION THREE: SPONSORSHIP**

#### **3.01 SPONSORING**

Distributors may sponsor other Distributors into the Company's business. Distributors must ensure that each potential new Distributor has reviewed and has had access to the current Policies and Procedures, Terms and Conditions and Compensation Plan prior to or when giving the individual an Agreement.

#### **3.02 MULTIPLE AGREEMENTS**

If an applicant submits multiple applications that list different sponsors, only the first completed Agreement received by the Company will be accepted.

#### **3.03 TRAINING REQUIREMENT**

A Sponsor must maintain an ongoing professional leadership association with Distributors in his or her organization and must fulfill the obligation of performing a bona fide supervisory or sales function in the sale or delivery of products and services.

#### **3.04 INCOME CLAIMS**

Distributors must truthfully and fairly describe the Compensation Plan. No past, potential, or actual income claims may be made to prospective Distributors, nor may Distributors use their own incomes as indications of the success assured to others. Commission checks may not be used as marketing materials.

Distributors may not guarantee commissions or estimate expenses to prospects.

#### **3.05 TRANSFER OF SPONSORSHIP**

The company does not permit the transfer of sponsors. Network Marketing is a business of creating relationships. Once a Distributor is sponsored, the company believes in maximum protection of that relationship. The only exception is upon prior written approval of Company to correct ethical violations as determined at the sole discretion of Company.

### **SECTION FOUR: RESIGNATION/TERMINATION**

#### **4.01 VOLUNTARY RESIGNATION**

a. Distributor may voluntarily terminate his or her Distributor status by failing to renew or by sending thirty (30) days written notice of such resignation or termination to the Company either by email or postal mail. Voluntary resignation is effective upon receipt of such notice by the Company.

b. Distributor who resigns or terminates their Distributor status may reapply as Distributor, three (3) months after resignation.

#### **4.02 SUSPENSION**

**Distributor may be suspended for violating the terms of his or her Agreement, which includes these Policies and Procedures, the Terms and Conditions and the Compensation Plan and other documents produced by the Company. When a decision is made to suspend Distributor, Company will inform the Distributor in writing that the suspension has occurred effective as of the date of the written notification, the reason for the suspension and the steps necessary to remove such suspension (if any). The suspension notice will be sent to the Distributors "address on file" pursuant to the notice provisions contained in the Policies and Procedures and Terms and Conditions. Such suspension may or may not lead to termination of the Distributor as so determined by the Company at its sole discretion. If the Distributor wishes to appeal, Company must receive such appeal in writing within fifteen (15) days from the date of the suspension notice. Company will review and consider the suspension and notify the Distributor in writing of its decision within thirty (30) days from the date of the suspension notice. The decision of the Company will be final and subject to no further review. Company may take certain action during the suspension period, including, but not limited to, the following:**

- a. Prohibiting the Distributor from holding himself or herself as Distributor or using any of Company's proprietary marks and/or materials;**
- b. Withholding commissions and bonuses that are due the Distributor during the suspension period;**
- c. Prohibiting the Distributor from purchasing services and products from Company; and/or;**
- d. Prohibiting the Distributor from sponsoring new Distributors, contacting current Distributors or attending meetings of Distributors.**

**If Company, at its sole discretion, determines that the violation which caused the suspension is continuing, and has not satisfactorily been resolved or a new violation involving the suspended Distributor has occurred, the suspended Distributor may be terminated.**

#### **4.03 TERMINATION**

**Distributor may be immediately terminated for violating the terms of his or her Agreement, which includes these Policies and Procedures, Terms and Conditions and the Compensation Plan and other documents produced by the Company upon written notice. Company may terminate a violating Distributor without placing the Distributor on suspension, at Company's sole discretion. When the decision is made to terminate Distributor, the Company will inform the Distributor in writing at the address in the Distributor's file that the termination has occurred.**

#### **4.04 APPEAL**

**If a Distributor wishes to appeal the termination, the Company must receive the appeal in writing within fifteen (15) days from the date of notice of termination. If no appeal is received within the fifteen (15) day period, the termination will automatically be deemed**

final. If a Distributor files a timely notice of appeal, the Company will review the appeal and notify the Distributor of its decision within ten (10) days after receipt of the appeal. The decision of the Company will be final and subject to no further review. In the event the termination is not rescinded, the termination will remain effective as of the date stated in the original termination notice.

#### **4.05 EFFECT OF TERMINATION**

Immediately upon termination, the terminated Distributor:

- a. **Must remove and permanently discontinue the use of the trademarks, service marks, trade names and any signs, labels, stationary or advertising referring to or relating to any product, plan, or program of the Company.**
- b. **Must cease representing themselves as Distributor of Company;**
- c. **Loses all rights to his or her Distributor position in the Compensation Plan and to all future commissions and earnings resulting therefrom;**
- d. **Must take all actions reasonably required by the Company relating to protection of Company's confidential information . Company has the right to offset any amounts owed by Distributor to Company including, without limitation, any indemnity obligation incurred pursuant to Section 11.01 herein, from commissions or other compensation due to the Distributor.**

#### **4.06 REAPPLICATION**

The acceptance of any reapplication of a terminated Distributor or the application of an immediate family member of a terminated Distributor shall be only granted 6 months after termination, and/or at the sole discretion of Topanga Scents.

#### **4.07 STATE LAWS**

Where state laws on termination are inconsistent with this policy, the applicable state law shall apply.

### **SECTION FIVE: TRANSFERABILITY**

#### **5.01 ACQUISITION OF BUSINESS**

Any Distributor desiring to acquire an interest in another Distributor's business must first terminate his or her Distributor status and wait three (3) months before becoming eligible for such a purchase. All such transactions must be fully disclosed and must be approved by the Company in advance.

#### **5.02 TRANSFERS OF DISTRIBUTORS**

Except as expressly set forth herein, Distributor may not sell, assign or otherwise transfer his or her Distributor entity (or rights thereof) to another Distributor or to an individual which has an interest in the Distributor entity. Notwithstanding the

foregoing, the Distributor may transfer his or her Distributor entity to his or her sponsor, subject to the conditions of Section 5.03. In such an event, the sponsor's entity and the transferring Distributors entity shall be merged into one entity.

### **5.03 CONDITIONS TO TRANSFERABILITY**

Distributors may not sell, assign, merge or transfer his or her Distributor entity (or rights thereto) without the prior written approval of Company and compliance with the following conditions:

a. Company possesses the right of first refusal with respect to any sale, assignment, transfer or merger of any Distributor entity. Distributor wishing to sell, assign, transfer or merge his or her Distributor entity must first provide the Company with the right and option to make such a purchase or receive such transfer in writing on the same terms and conditions as any outstanding or intended offer. Company will advise the Distributor within ten (10) business days after receipt of such notice of its decision to accept or reject the offer. If Company fails to respond within the ten (10) day period or declines such offer, the Distributor may make the same offer or accept any outstanding offer which is on the same terms and conditions as the offer to Company to any person or entity who is not Distributor, married to, or a dependent of Distributor or who has any interest in Distributor;

b. An office administration transfer fee of \$100.00 must accompany the transfer documents;

c. The documents must contain a covenant made by the selling Distributor for the benefit of the proposed purchaser not to compete with the purchaser or attempt to divert or sponsor any existing Distributor for a period of one (1) year from the date of the sale or transfer;

d. Upon a sale, transfer or assignment being approved in writing by Company, the buying Independent Sales Representative must assume the position and terms of agreement of the selling Distributor and must execute a current Agreement and all such other documents as required by Company; and

e. Company reserves the right, at its sole discretion, to stipulate additional terms and conditions prior to approval of any proposed sale or transfer. Company reserves the right to disapprove any sale or transfer, where allowed by law.

### **5.04 CIRCUMVENTION OF POLICIES**

If it is determined, at Company's sole discretion, that Distributor entity was transferred in an effort to circumvent compliance with the Agreement, the Policies and Procedures, Terms and Conditions or the Compensation Plan, the transfer will be declared null and void. The Distributor entity will revert to the transferring Distributor, who will be treated as if the transfer had never occurred from the reversion day forward. If necessary and at

Company's sole discretion, appropriate action, including, without limitation, termination, may be taken against the transferring Distributor to ensure compliance with the Policies and Procedures and Terms and Conditions.

#### **5.05 SUCCESSION**

Notwithstanding any other provision of this Section, upon the death of a Distributor, the Distributorship will pass to his or her successors in interest as provided by law. However, Company will not recognize such a transfer until the successor in interest has executed a current Agreement and submitted certified copies of the death certificate, will, trust or other instrument required by Company. The successor will thereafter be entitled to all the rights and be subject to all the obligations of a Company Distributor.

#### **5.06 RE-ENTRY**

Any Distributor who transfers his or her Distributorship must wait for three (3) months after the effective date of such transfer before becoming eligible to reapply to become a Distributor.

### **SECTION SIX: PROPRIETARY INFORMATION**

#### **6.01 CONFIDENTIALITY AGREEMENT**

During the term of the Agreement, Company may supply to Distributors confidential information, including, but not limited to genealogical and Downline reports, customer lists, customer information developed by Company or developed for and on behalf of Company by Distributors (including, but not limited to, credit data, customer and Distributor profiles and product purchase information), Distributor lists, manufacturer and supplier information, business reports, commission or sales reports and such other financial and business information which Company may designate as confidential. All such information (whether in written or electronic format) is proprietary and confidential to Company and is transmitted to Distributors in strictest confidence on a "need to know" basis for use solely in Distributors business with Company. Distributors must use their best efforts to keep such information confidential and must not disclose any such information to any third party or use this information for any non-company activity directly or indirectly while a Distributor and thereafter. Distributors must not use the information to compete with Company or for any purpose other than promoting Company's program and its products and services. Upon expiration, non-renewal or termination of the Agreement, Distributors must discontinue the use of such confidential information and promptly return any confidential information in their possession to the Company.

#### **6.02 COPYRIGHT RESTRICTIONS**

With respect to product purchases from Company, Distributors must abide by all manufacturers' use restrictions and copyright protections.

#### **6.03 VENDOR CONFIDENTIALITY**

Company's business relationships with its vendors, manufacturers and suppliers are confidential. Distributors must not contact, directly or indirectly, or speak to, or communicate with any supplier or manufacturer of Company except at Company sponsored events at which the supplier or manufacturer is present at the request of Company.

## **SECTION SEVEN: TRADEMARKS, LITERATURE & ADVERTISING**

### **7.01 TRADEMARKS**

Companies name trademarks, service marks, and copyrighted materials are owned by the Company. The use of such marks and materials must be in strict compliance with these Policies and Procedures.

### **7.02 ADVERTISING & PROMOTIONAL MATERIALS**

Only the promotional and advertising materials produced by Company are approved in advance in writing by Company may be used to advertise or promote a Distributor's business or to sell products and services of Company. Company's literature and materials may not be duplicated or reprinted without the prior written permission.

### **7.03 USE OF COMPANY NAME**

Distributors may use the name of Company only in the following format: "Independent Distributor for Topanga Scents".

### **7.04 STATIONERY AND BUSINESS CARDS**

Distributors are not permitted to "create" their own stationery, business cards or letterhead graphics, if Company's trade name or trademarks are used. Only the approved Company's graphics version and wording are permitted. These approved graphics can be found in the Distributor's backoffice, marketing website, and/or resource website.

### **7.05 TELEPHONE LISTING**

Distributors are not permitted to use Company's trade name in advertising their telephone and telecopy numbers in the white or yellow page sections of the telephone book or online. Distributors are not permitted to list their telephone numbers under the Company's trade name without first obtaining Company's prior written approval. If approval is granted for an "800" listing, it must be stated in the following manner: "Independent Distributor for Company".

### **7.06 TELEPHONE ANSWERING**

Distributors may not answer the telephone by saying "Topanga Scents," or in any other manner that would lead the caller to believe that he or she has reached the offices of the Company.

### **7.07 IMPRINTED CHECKS**



**Distributors are not permitted to use Company trade names or any of its trademarks or service marks on their business or personal checking accounts.**

#### **7.08 MEDIA INTERVIEWS**

**Distributors are prohibited from granting radio, television, newspaper tabloid or magazine interviews or using public appearances, public speaking engagements, or making any type of statement to the public media to publicize the Company, its products or Company businesses, without the express prior written approval of the Company. All media inquiries should be in writing and referred to the Company's corporate office, legal department.**

#### **7.9 ENDORSEMENTS**

**No endorsements by a Company officer or administrator or third party may be asserted, except as expressly communicated in Company literature and communications. Federal and state regulatory agencies do not approve or endorse direct selling programs. Therefore, Distributors may not represent or imply, directly or indirectly, that Company's programs, products, or services have been approved or endorsed by any governmental agency.**

#### **7.10 RECORDINGS**

**Distributors may not produce or reproduce for sale or personal use products sold by Company or any Company-produced literature, audio or video material, presentations, events, or speeches, including conference calls. Video and/or audio taping of Company meetings and conferences is strictly prohibited.**

#### **7.11 REPACKAGING PROHIBITED**

**Distributors may not repackage products or materials of the Company and resale the products. Products can, however, be repackaged and made into free samples.**

#### **7.12 INDEPENDENT COMMUNICATIONS**

**Distributors, as Independent Contractors, are encouraged to distribute information and direction to their respective Downlines. However, Distributors must identify and distinguish between personal communications and the official communications of Company.**

### **SECTION EIGHT: PAYMENT OF COMMISSIONS**

#### **8.01 BASIS FOR COMMISSIONS**

**Commissions and other compensation cannot be paid until a completed Agreement has been received and accepted by the Company. Commissions are paid ONLY on the sale of Company products and for sponsoring downline distributors. To receive commissions on products and services sold, the Company must have received and accepted an Agreement prior to the end of the commission period in which the sale is made.**

#### **8.02 COMMISSION PERIOD**

**Retail commission payments are made twice a month on the 1st and the 15th. Downline commissions are paid once a month on the 2nd of each month.**

### **8.03 COMMISSION PAYMENTS**

Commissions are paid to "qualified" Distributors as defined within the Compensation Plan. Distributors must consult the Compensation Plan for a detailed explanation of the benefits, commission structure, and requirements of the Compensation Plan.

### **8.04 OFFSET OF COMMISSIONS**

Any commissions or bonuses earned and paid on products returned is the obligation of and must be repaid to the Company by Distributors earning such commissions. Company has the right to offset such amounts against future commissions and other compensation paid or owed to such Distributors who received commissions.

## **SECTION NINE: PURCHASE & SALE OF PRODUCTS**

### **9.01 STOCKPILING PROHIBITED**

The success of Company depends on retail sales to the ultimate consumer; therefore, all forms of stockpiling are prohibited. Company recognizes that Distributors may wish to purchase certain products for their own use. However, the Company strictly prohibits the purchase of products in unreasonable amounts and prohibits the purchase of products only or primarily to qualify for compensation.

### **9.02 OVER 70% RULE**

To receive commissions and overrides, Distributors must certify on each product order form that they have sold over seventy percent (70%) in dollar value of all products and commissionable services previously purchased by the Distributor at wholesale from the company, to Non-Distributor consumers. Distributors shall maintain retail sales records available to the company for inspection on request.

### **9.03 ORDERING METHODS**

All orders submitted to Company shall have the Distributor Identification Number placed thereon to assist Company in crediting the appropriate Distributor.

### **9.04 SHIPPING AND HANDLING POLICY**

Subject to availability all products will be shipped by UPS, USPS, or other similar service within approximately two weeks of receipt of payment. Payment for products shall be made at time of order. At Distributor's option, the product may be shipped to a customer's designated "Ship-To address", or to the Distributor.

### **9.05**

### **9.06 SHIPPING LOSS**

In the event Distributor or a consumer does not receive a product order from Company in a timely fashion, the individual should contact the Customer Service at Topanga Scents

### **9.07 REFUSED SHIPMENTS**

Should Distributor refuse delivery on any order he or she has placed with Company and such product is subsequently returned to Company; Company shall have the right to place that Distributor on suspension pending resolution of the refusal of delivery. Neither Distributor nor a consumer shall refuse any shipment from Company unless prior approval of Company has been obtained.

#### **9.09 PRICING POLICY**

Company will furnish Distributors with a discount from its published retail prices in its then current consumer catalog or order form in accordance with its policies. This discount does not apply to literature, business aids, gifts or special promotional items. Prices for Company's products, services and literature are subject to change without prior notice.

#### **9.8 RETAIL PRICING**

Company provides a suggested retail price as a guideline.

#### **9.9 PROMOTIONAL ITEMS**

All promotional items which bear Company name or logo must be purchased solely from Company unless prior written permission is obtained from Company.

#### **9.10 SALES TAX**

The Company may collect sales tax on taxable items. Distributors may be responsible to collect and remit sales tax on personal retail sales to the appropriate tax agencies.

#### **9.11 PLACE OF SALE**

The integrity of the Company's marketing plan is built upon person-to-person, one-on-one and in-home presentation methods of sale. The Company's products may be sold to or displayed in certain retail outlets, not including bars or nightclubs or any such similar establishments, convenience stores or gas stations. Retail shop owners are allowed to display product information with scent samples. These can be ordered as supplies on the Gear Store. Retail shop owners may keep stock, however, abiding by both the Stockpiling Prohibited Rule in section 9.01 and the Over 70% Rule in section 9.02. Customers should also be encouraged to order through the Distributor's link.

#### **9.12 PRODUCT & SERVICES CLAIMS**

Distributors may make no claim, representation or warranty concerning any product or service of Company, except those expressly approved in writing by Company or contained in official Company materials.

#### **9.13 FAX BLASTS, SPAMMING**

Fax blasting and unsolicited e-mailing (SPAMMING) is prohibited.

### **SECTION TEN: RETAIL GUARANTEE & REFUND POLICY**

#### **10.01 RETAIL CUSTOMER GUARANTEE**

Distributor offers a thirty (30) day, 100% money-back, and satisfaction guarantee to all retail customers. If a retail customer is dissatisfied with any product for any reason, then the retail customer may return that product in its original package and shipping container to the Distributor who sold the product within thirty (30) days of purchase, for either replacement or a full refund of the purchase price. All other warranties and guarantees are disclaimed.

#### **10.02 WARRANTIES**

Except as expressly stated herein, Company makes no warranty or representation as to the merchantability, fitness for a particular purpose, workmanship or any other warranty concerning any product or service purchased from or through Company with the exception of our 30 day warranty for Big Sur.

#### **10.03 RETURN POLICIES**

To return products you must obtain a return merchandise authorization (RMA) and return the products within 7 days after you receive the RMA. Company will refund the original purchase price of products, and related sales taxes. **SHIPPING & HANDLING FEES ARE NOT REFUNDABLE. YOU ARE RESPONSIBLE FOR PRODUCTS UNTIL Company RECEIVES THEM. YOU WILL BE**

**CHARGED A RESTOCKING FEE OF 10% TO RETURN PRODUCTS.** Returned products must be in the same condition as you received them. **THIS RETURN POLICY IS NOT A WARRANTY. NOTE:** Company will not accept return for any products you purchased from a Reseller. To properly process a refund or exchange, Distributors must follow the steps and conditions set forth below:

All returns to Company must be accompanied by:

- a. A signed statement from the retail customer identifying the reason for the return;
- b. A copy of the original retail sales receipt; and
- c. The name, address and telephone number of the retail customer
- d. Company will prepay the cost of shipping the replacement product(s).

Distributor requests for refund may, at company's option, be treated as a termination of the Distributorship.

#### **10.04 BUYER'S RIGHT TO CANCEL**

Federal law grants a buyer the right to cancel certain sales without penalty prior to midnight of the third business day after the transaction. This rule covers retail consumer sales of \$25.00 or more that occur away from the seller's main office. Distributors must orally inform the buyer of the three-day right to cancel at the time the buyer purchases the goods and deliver 2 three-day cancellation notices to every customer.

### **SECTION ELEVEN: GENERAL PROVISIONS**

#### **11.01 INDEMNITY AGREEMENT**

Each and every Distributor agrees to indemnify and hold harmless Company, its shareholders, officers, directors, employees, agents and successors in interest from and against any claim, demand, liability, loss, cost or expense including, but not limited to, court costs and attorneys' fees, asserted against or suffered or incurred by any of them, directly or indirectly arising out of or in any way related to or connected with allegedly or otherwise, the Distributors (a) activities as Distributor ; (b) breach of the terms of the Agreement; and/or (c) violation of or failure to comply with any applicable federal, state or local law or regulation .

#### **11.02 PROCESSING CHARGES**

Company reserves the right to institute a processing charge for commission checks and/or genealogy requests.

#### **11.03 OTHER SERVICES & PRODUCTS**

Distributors may not promote or sell another company's products or services at functions organized to feature Company's products. Distributors are not restricted from selling other company's services and products which are not similar to or competitive with the products and services of the Company. However, promotion of competitive services, products and/or business programs with anyone, including Independent Sales Representatives, is strictly prohibited.

#### **11.04 LIABILITY**

To the extent permitted by law, company shall not be liable for, and each distributor releases company from, and waives all claims for any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by distributor as a result of (a) the breach by distributor of the agreement and/or the terms and conditions and/or the policies and procedures; (b) the operation of distributor's business; (c) any incorrect or wrong data or information provided by distributor; or (d) the failure to provide any information or data necessary for company to operate its business, including, without limitation, the enrollment and acceptance of distributor into the compensation plan or the payment of commissions and bonuses.

#### **11.05 RECORDKEEPING**

Company encourages all Distributors to keep complete and accurate records of all their business dealings.

#### **11.06 FORCE MAJEURE**

The Company shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as but not limited to: fire, flood, earthquake, storm, power outages, labor difficulties, strikes, war, government decrees or orders and/or curtailment of a party's usual source of supply.

#### **11.07 VIOLATIONS**

It is the obligation of every distributor to abide by and maintain the integrity of the policies and procedures and terms and conditions. If a distributor observes another distributor

committing a violation, he or she should discuss the violation directly with the violating distributor. If the distributor wishes to report such violation to company, he or she must detail violations in writing only and mark the correspondence "attention: legal department".

#### **11.08 AMENDMENTS**

The company reserves the right to amend the agreement, policies and procedures, terms and conditions, its retail prices, product and service availability and the compensation plan type at any time without prior notice as it deems appropriate. Amendments will be communicated to distributors through official company website and or official company publications.

Amendments are effective and binding upon submission to the company website. In the event any conflict exists between the original documents or policies and any such amendment, the amendment will control.

#### **11.09 NON-WAIVER PROVISION**

No failure of company to exercise any power under these policies and procedures or to insist upon strict compliance by distributor with any obligation or provision herein, and no custom or practice of the parties at variance with these policies and procedures, shall constitute a waiver of company's right to demand exact compliance with these policies and procedures.

Company's waiver of any particular default by distributor shall not affect or impair company's rights with respect to any subsequent default, nor shall it affect in any way the rights or obligations of any other distributor. No delay or omissions by company to exercise any right arising from a default effect or impair company's rights as to that or any subsequent or future default. Waiver by company can be affected only in writing by an authorized officer of company.

#### **11.10 GOVERNING LAW**

The Agreement and these Policies and Procedures shall be governed by the laws of El Dorado AR United States.

#### **11.11 DISPUTES**

In the event a dispute arises between the Company and a Distributor regarding their respective rights, duties under this agreement, or in the event of a claim of breach of the Distributor Agreement, it is agreed that such dispute shall be exclusively resolved pursuant to binding arbitration under the Commercial Rules of the American Arbitration Association with arbitration to occur at El Dorado AR United States. The Arbitrator may award, in addition to declaratory relief, contractual damages and shall award reasonable attorney's fees and costs to the prevailing party. An award of attorney's fees and costs shall continue through any review, appeal, or enforcement of an arbitration decision. The arbitration decision may be enforced in any court of competent jurisdiction. This provision shall not be construed to prohibit either party from obtaining preliminary or permanent injunctive relief in any court of competent jurisdiction. The parties each expressly waive their right to collect consequential, punitive, and exemplary damages from the other party.

#### **11.12 ENTIRE AGREEMENT**

**The Policies and Procedures are incorporated into the Agreement and, along with the Terms and Conditions and Compensation Plan, constitute the entire agreement of the parties regarding their business relationship.**

#### **11.13 SEVERABILITY**

**If under any applicable and binding law or rule of any applicable jurisdiction, any provision of the Agreement, including these Policies and Procedures and Terms and Conditions, or any specification, standard or operating procedure which Company has prescribed is held to be invalid or unenforceable, Company shall have the right to modify the invalid or unenforceable provision, specification, standard or operating procedure or any portion thereof to the extent required to be valid and enforceable, and the Distributor shall be bound by any such modification. The modification will be effective only in the jurisdiction in which it is required.**

#### **11.14 LIMITATION OF DAMAGES**

**To the extent permitted by law, company and its distributors, officers, directors, employees and other representatives, shall not be liable for, and independent sales Representative hereby release the foregoing from, and waive any claim for loss of profit, incidental, special, consequential or exemplary damages which may arise out of any claim whatsoever relating to company performance, nonperformance, act or omission with respect to the business relationship or other matters between any company and company, whether sounding in contract tort or strict liability. Company shall not exceed and is hereby expressly limited to, the amount of unsold company services and/or products of company owned by the distributor and any commissions owed to the distributor.**

#### **11.15 NOTICE**

**Any communication, notice or demand of any kind whatsoever which either the Distributor or Company may be required or may desire to give or to serve upon the other shall be in writing and delivered by electronic communication whether by telex, telegram, Email or telecopy {if confirmed in writing sent by registered or certified mail, postage prepaid, return receipt requested). Any such communication, notice or demand shall be deemed to have been given or served on the date of confirmed dispatch, if by electronic communication, or on the date shown on the return receipt or by other evidence if delivery is by mail.**