



LIFEMAX POLICIES AND PROCEDURES

I. GENERAL These Policies and Procedures govern the way in which distributors conduct business with Lifemax® ("Lifemax"). Failure to comply with the provisions of any of these documents may result in the termination of the Agreement. These Policies and Procedures, the Team Member Application and Agreement (the "Distributor Agreement"), Sales Compensation Plan, and the Direct Selling Association ("DSA") Code of Ethics constitute the complete Agreement (hereinafter referred to as "Agreement") between a Distributor and the Company. The Company has sole discretion to modify any of these documents. These Policies & Procedures, or any changes, alterations, additions, deletions or amendments thereto will be posted on the Company's website and will be effective concurrent with the date of posting. Failure to comply with the provisions of any of these documents may result in the termination of the Distributor Agreement or other disciplinary action.

Should any portion of the Agreement, or any instrument published by Lifemax be declared invalid in a court of jurisdiction, the balance of such rules, applications, or instruments shall remain in full force and effect.

- A. I will be honest and fair in my dealings as a distributor of Lifemax.
- B. I will perform my business in a manner that will enhance my reputation and the positive reputation established by Lifemax.
- C. I will be courteous and respectful of every person I contact in the course of my Lifemax independent distributor activities.
- D. I will fulfill my leadership responsibilities as a sponsor including training, supporting and communicating with the distributors in my organization.
- E. I will not misrepresent Lifemax products or the Compensation Plan.
- F. I will not engage in any deceptive, false, unethical or unlawful consumer or recruiting practice.
- G. I will not sponsor or attempt to sponsor any Lifemax distributor directly or indirectly into any other network marketing program or engage in deceptive or illegal practices.
- H. I will remember that even my personal experience and the benefits received from Lifemax products, services or programs, may be interpreted as unauthorized "extension of labeling claims".
- I. I understand and agree that I am solely responsible for all financial and/or legal obligations I incur in the course of my business as a distributor and will discharge all debts and duties as required of a distributor. I understand that I may have only one distributor account in the worldwide platform regardless of the market.

II. INDEPENDENT DISTRIBUTOR

- A. **INDEPENDENT CONTRACTOR STATUS.** The distributor will be treated as an independent contractor and will not be treated as an employee for federal or state tax purposes.

All distributors are independent contractors engaged in their own separate business pursuits. The Agreement between Lifemax and its distributors does not create an employer/employee relationship, agency, partnership or joint venture. Distributors are strictly prohibited from stating or implying, whether orally or in writing that their relationship is any other than as outlined above. Each distributor shall hold harmless Lifemax from any claims, damages or liabilities arising out of the distributor's business practices. Distributors have no authority to bind Lifemax to any obligation. Each distributor is encouraged to set up his/her own hours and to determine his/her own methods of sales, as long as he/she complies with the terms of the Agreement and does not misrepresent the attributes of the product or the earning potential of the compensation plan.

- B. **BUSINESS CONDUCT.** Distributors will perform all of their business activities in a professional and ethical manner, which will enhance the distributor's reputation and the positive reputation of Lifemax. Distributors will not engage in any conduct that would negatively reflect upon Lifemax or any other distributor's image. Distributors will be courteous and respectful of every person contacted including employees and executives of the corporate office of Lifemax, and will conduct their distributor business in a way as to respect the products and professionalism of Lifemax and its other distributors. A distributor will under no circumstances disparage or infringe upon the Lifemax name or reputation in connection with the marketing of Lifemax products or misappropriate any confidential or proprietary information or trade secrets (including distributor names and address lists) for use by the distributor personally or others.
- C. **PRODUCT LIABILITY.** Lifemax suppliers maintain insurance to protect Lifemax and its distributors against product liability claims. The supplier's insurance policy contains a "Vendor Endorsement" which extends a certain amount of coverage to distributors provided that they are marketing Lifemax products in accordance with the Agreement, product labels, product literature as well as applicable laws and regulations. Lifemax maintains that it is prudent and recommended that all distributors carry appropriate business liability insurance for their own personal business practices.
- D. **NO PROTECTION FOR IMPROPER USE.** An example of liability for improper use is a violation of the health claims restrictions or usage recommendations. Lifemax covers only those uses and purposes specifically set forth on the container or in Lifemax literature. A distributor who attempts to change or modify the label or packaging, who misrepresents the product or who makes claims other than those set forth in Lifemax literature is depriving himself or herself of the protection afforded by any insurance obtained by Lifemax, and is a breach of this Agreement.
- E. **NO PURCHASE REQUIRED.** No distributor is required to purchase any Lifemax products.
- F. **DISTRIBUTOR ENROLLMENT.** For an annual fee of \$39.95 (USD) and a paid Team Office subscription, Lifemax provides distributor services including a personalized marketing website that includes web hosting; a back office that enables the distributor to manage his/her business; the capability to view online tools and download marketing material; the capability to review the calculations and payment of commissions, and the capability to access past record of personal purchases. You acknowledge and agree to have your credit card billed either

monthly or annually for the Team Office subscription you select. The annual renewal fee of \$39.95 (USD) will be waived for distributors found to be in good standing.

- G. DISTRIBUTOR RIGHTS. All distributors are authorized to sell Lifemax products and to participate in the Lifemax Compensation Plan. All Lifemax distributors may sponsor new distributors in countries officially opened by Lifemax.
- H. LEGAL AGE. Distributors must be of legal age in their state or country of residence to operate as a Lifemax distributor.
- I. MARRIED COUPLES. Each participant or legal entity is limited to one (1) distributorship. Spouses may each have their own distributorship with Lifemax. Spouses must be in the same line of sponsorship and a spouse may not be associated directly or indirectly with distributor positions in other downline organizations worldwide.
- J. CORPORATIONS, PARTNERSHIPS AND TRUSTS. Corporations, limited liability companies, partnerships and/or trusts may become distributors ONLY when copies of the incorporation, articles of incorporation, articles of organization, partnership agreement or trust document or other charter or organic documents as filed with the state or organization (when applicable) are submitted to the Compliance Department. Send to: Compliance Department, Lifemax, Inc., 7576 Kingspointe Pkwy., Suite 160, Orlando, FL 32819.

To ensure compliance the distributors must disclose a complete list of all directors, officers and shareholders involved in the corporation. The Lifemax Business Entity Registration document is to be faxed or emailed to the Support Department of Lifemax. Limited liability companies must disclose a complete list of all members, officers and managers. Partnerships must disclose all general and limited partners. Trusts must disclose the trustee(s) and beneficiary/beneficiaries. Proof must be provided of a Federal Tax ID number and a copy of the annual certification from the Secretary of State issued in the state of incorporation, organization, and partnership registration. If any shareholder, partner, member or manager or a distributor is itself an entity, then the information required above for the distributor shall also be required for such shareholder, partner, member or manager.

Shareholders, members, partners, beneficiaries and trustees, directors and officers as applicable, agree to remain personally liable to Lifemax and bound by the Agreement. A completed "Operating Under a Business Name" or DBA (Doing Business As) form must be on file with Lifemax. In any distributor position involving the efforts of more than one individual, whether a corporation, partnership or trust, limited liability company, the actions of one participant shall reflect on the distributorship as a whole. If one (1) member is found to have violated the terms and conditions of the Policies and Procedures of Lifemax then the distributorship as a whole will be considered to be in violation.

- K. FICTITIOUS AND/OR ASSUMED NAMES. A person or entity may not apply for a distributorship worldwide using the identity of another person or entity that will not be associated with the distributorship. No one may enter a Social Security Number or Tax Identification Number that was not assigned to the primary individual or entity on the distributorship.
- L. TAX IDENTIFICATION NUMBER. All U.S. distributors are required by federal law to obtain a Social Security Number or Federal Identification Number and have it on file with Lifemax. Lifemax will use this number for all government reporting purposes.

- M. TAXATION. Distributors will be treated as independent contractors for all federal and/or state tax purposes and are responsible for complying with all required taxes – both local and federal. As independent contractors, distributors will not be treated as employees, franchisees, joint venturers, partners or agents with respect to the Internal Revenue Code, Social Security Act, Federal Unemployment Act, State Unemployment Act, or any other federal, state or local statute, ordinance, rule or regulation.
- N. LEGAL COMPLIANCE. Distributors shall comply with all federal and state statutes and regulations and local ordinances and regulations concerning the operation of his/her business. All distributors are responsible for their own managerial decisions and expenditures, including all estimated income and self-employment taxes. At the end of each calendar year, Lifemax will issue an IRS Form 1099 Misc. for all United States distributors, as required by law. Since distributors are not Lifemax employees, Lifemax is not responsible for payment or co-payment of any employee benefits.
- O. DISTRIBUTOR PERSONAL IDENTIFICATION NUMBER. Lifemax will issue a distributor Personal Identification Number (PIN) at the time of enrollment. The distributor PIN must be indicated on all correspondence with Lifemax, including paperwork for sponsoring, ordering products, requesting assistance, etc.
- P. NO EXCLUSIVE TERRITORIES. There are no exclusive territories for recruiting or other purposes, nor shall any distributor imply or state that he/she has or may grant any exclusive territory rights. There are no geographic limits on sponsoring distributors except in those countries that have not officially been opened in writing by Lifemax.
- Q. OTHER SERVICES AND PRODUCTS. Distributors are not restricted from selling the services and products of other companies during the term of the Distributor Agreement however direct or indirect promotion of those products and services directly or indirectly to Lifemax distributors is limited to those a distributor has personally sponsored.
- R. CROSSLINE RECRUITING. Recruiting others directly or indirectly whether through written, spoken or implied means from one (1) Lifemax distributor organization worldwide to another is strictly prohibited.
- S. REPRESENTATION OF GOVERNMENT ENDORSEMENTS. Federal and state regulatory agencies do not approve or endorse direct selling programs or products. The FDA does not approve cosmetic or health related products, other than to certify that the products incorporate safe ingredients. Therefore, distributors may not represent directly or indirectly that the Lifemax marketing program or products have been approved/reviewed/endorsed or otherwise backed by any government agency.
- T. MEDICAL TREATMENT, APPROVAL AND THERAPY. Distributors understand that they will not say directly or indirectly imply or state through the use of testimonials or otherwise, that any Lifemax product is FDA approved, or discuss or suggest that any diagnosis, evaluation, prognosis, description, treatment, therapy or management or remedy of illness, ailment or disease can or will be improved by consumption or application of the product. Distributors understand that Lifemax products are not offered, intended or considered as medicinal treatment of any disorder or diseases, either mental or physical. Product inquiries should be directed to the Compliance Department for assistance.
- U. Information provided by Independent Distributors to prospective or current independent distributors concerning the opportunity and related rights and obligations shall be accurate and complete. Independent Distributors shall not

make any factual representation to prospective independent distributors that cannot be verified or make any promise that cannot be fulfilled. Independent Distributors shall not present any selling opportunity to any prospective independent distributor in a false, deceptive or misleading manner.

III. DEFINITIONS

"Distributor" - A person who has signed up and agreed to abide by the Lifemax Policies and Procedures as amended from time to time. In jurisdictions where retail sales are not permitted, this will be treated as a Member. If no product is purchased or back office service added within a period of thirty (30) days from enrollment the position is terminated.

A Distributor and/or the Distributor's Position may have one of the following states:

"Active" – A Distributor that continues to meet the BV requirements to participate in the complete Lifemax Compensation Plan, and has an active back office. An Active Distributor or Position may purchase products for retail sale (where permitted) or personal consumption and is eligible to receive commissions under the Compensation Plan. An Active Distributor or Position that maintains its back office but fails to meet the monthly BV requirements will be considered dormant.

"Non-Active Distributor" – An Active Distributor or Position that fails to continue to meet the ongoing minimum maintenance requirements of 60 BV a calendar month to participate in the Compensation Plan, whether or not the back office is active.

"Dormant Distributor" – Has not met the ongoing minimum maintenance requirement to participate in the complete Compensation Plan for ninety (90) days or longer. With a minimum activation order the distributor will return to active status and begin accumulating volume. The volume lost during the dormancy period will not be restored.

"Suspended Distributor" – Cannot represent himself/herself as a distributor. Cannot purchase products, participate in the Compensation Plan, or use back office or website. Commissions earned held in abeyance pending resolution of issue. If distributor is cleared of wrongdoing commissions will be released.

"Terminated Distributor" – Cannot represent himself/herself as a Lifemax distributor. Cannot purchase, participate in the Compensation Plan. No back office, no website.

IV. SPONSORSHIP & TRAINING AND TERMS OF TERMINATION

- A. SPONSORING. Distributors are entitled to sponsor other distributors in the United States, its territories and other countries as officially opened by Lifemax into the Lifemax program. However, distributors are compensated only for the generation of sales of products, not for sponsoring new distributors (regardless of country) into the program.
- B. SALE/TRANSFER OF DISTRIBUTORSHIP. A distributorship may be sold or transferred to a non-distributor only following a period of six (6) months of the origination date in the name of the original distributor and at the sole discretion of Lifemax. Distributors may not attempt to register in any other country to circumvent the appropriate separation period. A completed and notarized Sales/Transfer form must be submitted to the Support Department and approved

by Lifemax. When such transfer/sales is approved and accepted any volume previously accumulated will be removed at the discretion of the company.

- C. **MULTIPLE APPLICATIONS.** If a distributor enters multiple applications, only the first completed information to be received by Lifemax will be accepted. Lifemax reserves the right, at its sole discretion, to make the final decision with respect to all disputes. Distributors may hold only one position in Lifemax regardless of market.
- D. **PLACEMENT CHANGES/CORRECTIONS.** Placement changes/corrections may be requested within a period of three (3) days from the date of enrollment. Such adjustments require written permission directed to the Support Department submitted through the personal back office of the sponsor as well as the distributor to be moved and in some cases the upline distributor.
- E. **SPONSOR CORRECTIONS.** Sponsor changes are not permitted. However, sponsor corrections can be made if they are reported to the Support Department within a period of three (3) business days. Sponsor corrections must be requested through the distributor back office of the current (original) sponsor, stating the reason that the correction needs to be made.
- F. **ACQUISITION OF BUSINESS.** A distributor desiring to acquire interest in another distributor's business worldwide must first terminate his/her distributor status and wait a period of six (6) months from the date of resignation notice, before becoming eligible for such a purchase regardless of the country he or she wishes to transfer to. As Lifemax is a worldwide seamless platform, should a distributor voluntarily resign in one market and wish to enroll in another market, the appropriate separation period must be met in the market from which they resigned prior to enrollment in any new market without exception. All such transactions must be fully disclosed through the completion of a Sales/Transfer form submitted to the Lifemax Support Department and is subject to approval by Lifemax.
- G. **ADDING CO-APPLICANTS.** When adding a co-applicant (either an individual or a business entity) to an existing distributorship, Lifemax requires a written request submitted to the Support Department. The original applicant must remain a party to the distributorship. If the original distributor wants to terminate his/her distributor relationship with Lifemax, he/she must do so in accordance with the Lifemax resignation policy. If that is not followed, the business will be terminated upon withdrawal of the original distributor. All bonus and commission checks will be sent to the address of record on the distributorship. A co-applicant may not under any circumstance be party to another distributor position in any other country. Note that the modification is permitted within the scope of this paragraph and does not include change in sponsorship.
- H. **PERSONAL INFORMATION.** Personal information such as the distributor's back office password, the distributor's address, telephone number, etc. will be treated as confidential and will not be shared with any person(s) outside of Lifemax, unless required by law. In the event of an emergency the inquiring party may contact the Lifemax Support Department who will advise the distributor that someone is attempting to contact him/her. It is the Independent Distributor's responsibility to insure that all contact information provided is completely accurate and up-to-date.
- I. **TRAINING REQUIREMENT.** Distributors are required to assure the adequate training of the distributors they sponsor into the Lifemax program. "Adequate training" shall include, but not be limited to, education regarding the Policies and Procedures, Compensation Plan, product information, sound business practices, sales strategies, and ethical business behavior. A sponsor must maintain an ongoing, professional leadership association with distributors in his/her

organization and must fulfill the obligation of performing a bonafide supervisory, sales or distributive function on the sale or delivery of product and services to the ultimate consumer.

- J. RESIGNATION. Any distributor may voluntarily resign his/her distributor status by not renewing when required (see Inactive Distributor Positions Section for details) or by sending written notice to the Lifemax Support Department. Resignation is in effect upon receipt of such notice. A distributor who resigns his/her distributorship may not reapply individually or have a financial interest in any other distributor entity for a period of six (6) months from the date of resignation. A former distributor who re-signs following the required time period above cannot reclaim his or her former distributor position or to any past downline organization.
- K. SUSPENSION. Lifemax reserves the right to suspend any distributor position at any time for cause when it is determined that the distributor has violated the provisions of the Agreement, as they might be amended from time to time or the provisions of any applicable laws or standards for fair dealing. Such involuntary suspension shall be made by Lifemax at its discretion. Lifemax will notify the distributor either by postal delivery or email sent to the latest address listed with Lifemax for the distributor. In the event of a suspension a distributor agrees to immediately cease representing himself/herself as a distributor of Lifemax until the matter is resolved. In the event that a distributor is suspended for wrongdoing for a determined period of time he/she will not be entitled to earn commissions or overrides for the period of the suspension.
- L. TERMINATION. A distributorship may be terminated for violation of any of the terms of the Agreement. Notice of the termination, citing the reason(s) for the action, shall be provided in writing to the distributor and delivered either through postal delivery or email. Termination shall be effective as set forth therein, if a timely appeal is not provided by the distributor in accordance with the appeal procedure set forth below. Immediately upon termination, the terminated distributor:
 - a) Must remove and permanently discontinue the use of all the trademarks, service marks, trade names and any signs, labels, stationery or advertising referring to or relating to any Lifemax products, plan or program.
 - b) Must cease representing himself or herself as a distributor for Lifemax.
 - c) Loses all right to his/her distributorship and position in the Compensation Plan and to all future commissions and earnings resulting there from; and
 - d) Must take all action reasonably required by Lifemax relating to its materials and protection of its confidential information and intellectual property.
 - e) Lifemax has the right to offset any amounts owed by a distributor to Lifemax. Where state laws on termination are inconsistent with this policy, the applicable state law shall apply.
 - f) When a distributor is terminated, no distributor will assume the sponsorship of the terminated distributor's personal team, and therefore no distributor will receive the GVB that the terminated distributor would have received.
- M. APPEAL. A suspended or Terminated Distributor may appeal the action by submitting a letter to the Compliance Department of Lifemax stating the grounds of appeal. (Note: No telephone calls will be accepted under any circumstances to resolve such matters). The letter of appeal must be received by Lifemax within ten (10) business days of the date of such notice as instructed in the communication. If Lifemax has not received the letter of appeal by the deadline date, the suspension or termination shall automatically become a final termination.

If a distributor files a timely appeal, Lifemax will, at its sole discretion, review and notify the distributor of its decision. The decision of Lifemax shall be final and not be subject to further review.

If the appeal is denied based upon the documentation and evidence presented against the distributor, the suspension or termination shall remain in effect as of the date of the original notification.

- N. EFFECT OF EXPIRATION OR TERMINATION. Immediately upon expiration or termination, the Distributor:
- a) Must remove and permanently discontinue the use of the trademarks, service marks, trade names and any signs, labels, stationery or advertising referring to or relating to any Lifemax product, plan or program;
 - b) Must cease representing himself or herself as a distributor of Lifemax;
 - c) Loses all rights to his or her distributorship and position in the Compensation Plan and to all future commissions and earnings resulting therefrom; and
 - d) Must take all action reasonably required by Lifemax relating to its materials and protection of its confidential information and intellectual property.
 - e) Lifemax has the right to offset any amounts owed by a Distributor to Lifemax, from commissions or other compensation due to the Distributor.
- O. DISTRIBUTOR COMPLAINTS. Lifemax is not obligated to reveal the identity of any complaining parties. The Compliance Department will take reasonable measures to ensure that the information it is provided is factual and that action is required. Many times situations that appear as violations of the Policies and Procedures are merely a reflection of a misunderstanding or ambiguity regarding the rules and regulations that govern distributorships. All communication to the Compliance Department concerning a Lifemax distributor must contain the name and distributor information of the complaining parties, a detailed description of the infraction as well as the names and contact information of collaborating witnesses. Anonymous complaints or complaints that cannot be verified will not be recognized.
- P. SUCCESSION. Notwithstanding any other provisions of this section, upon the death of a distributor, the distributor position shall pass to his/her successor in interest as provided by law. However, Lifemax will not recognize such transfers until the successor in interest has submitted a completed Sales/Transfer form to the Lifemax Support Department together with certified copies of the death certificate and will, trust or other instrument and executed Distributor Agreement. The successor shall thereafter be entitled to all the rights and subject to all the obligations as any other distributor of Lifemax. In addition, the successor-in-interest must be of legal age in his/her country of residence.
- Q. DIVORCE OR DISSOLUTION. During the pendency of divorce or entity dissolution, both parties must adopt one (1) of the following methods of operation:
- a) One of the parties may, with written consent of the other(s), operate the Lifemax business pursuant to an assignment in writing by Lifemax to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, or trustee.
 - b) The parties may continue to operate the Lifemax business jointly on a business-as-usual basis, whereby all compensation paid by Lifemax will be paid in the joint names of the distributors or in the names of the entity to be divided as the parties may independently agree between themselves. Under no circumstance will Lifemax split commission and bonus checks or refund reimbursement against a resignation between divorcing spouses or

members of dissolving entities. Lifemax will recognize only one (1) downline organization and will issue one (1) commission/bonus check per Lifemax business per commission cycle or one refund check per resignation (if applicable). Commission checks shall always be issued to the same individual or entity listed in Lifemax's records. In the event that parties of a divorce or dissolution proceedings are unable to resolve a dispute over the disposition of commissions and ownership of the business, the Agreement shall be involuntarily cancelled.

If a former spouse or entity affiliate has completely relinquished all rights to his/her original Lifemax business he/she will therefore be free to enroll under any sponsor of his/her choosing, so long as he/she meets the waiting period set forth by Lifemax. In such case however, the former spouse or partner shall have no right to any distributor in his/her organization or any former distributor.

- R. **CONFIDENTIALITY AGREEMENT.** Distributors may gain access to confidential information of Lifemax, including, without limitation, genealogy and downline reports, customer lists, distributor lists, manufacturer and supplier information, business reports, commission or sales reports and such other financial and business information which Lifemax may designate as confidential. Without limiting the foregoing, the information contained in any genealogical or downline report provided or accessible to a distributor by Lifemax is proprietary and confidential belonging to and owned by Lifemax, and is transmitted or available to the distributor in strict confidence. The distributor agrees that he/she will not disclose any such confidential or proprietary information to any third party directly or indirectly, or use the information to compete with Lifemax. This information is to be used only for the promotion of the Lifemax program. The distributor and Lifemax agree that but for this agreement regarding confidentiality non-disclosure, Lifemax would not provide the information or make it accessible to the distributor. Any distributor who is found or reported to be in violation of this rule, may not only risk loss of buying privileges, [possible suspension] from participating in the Compensation Plan, and termination of the Application and Agreement but Lifemax may in addition seek injunctive relief and/or any other remedy for damages to the fullest extent that the law allows. Upon expiration or termination of the Application and Agreement, Distributors must immediately discontinue the use of such confidential information and promptly return any confidential information in their possession to Lifemax. It is agreed that this provision shall survive the termination or expiration of the Application and Agreement.
- S. **PRODUCT TESTIMONIALS.** Any distributor is encouraged to share his/her excitement as the result of product consumption and use. Lifemax reserves the right to use statements and photographs voluntarily submitted to its Support Department from distributors and customers in its promotional material without any financial or other compensation. Upon signing the Agreement, each distributor agrees to release his/her testimony to Lifemax. Distributors shall not, however, use or permit the use of testimonials that state or imply that any Lifemax product has qualities, characteristics, or properties that are not approved by Lifemax or that are in violation of the Agreement (see, for example, "Medical Treatment, Approval and Therapy" under part II above).
- T. **NON- SOLICITATION.** During the term hereof and for a period of 12 (twelve months) after the termination or expiration of the relationship between a distributor and Lifemax, for any reason whatsoever, the distributor shall not on his/her behalf or any other person, partnership, association, corporation or other entity, hire or solicit any employee, other distributor, customer, manufacturer, or supplier of Lifemax or any of its affiliates, or in any manner attempt to influence or induce any employee, other distributor (other than those distributors personally sponsored by you), customer, manufacturer or supplier of Lifemax or any of its

affiliates, to alter their employment or business relationship with Lifemax or its affiliates or shall any distributor use or disclose to any person any information of Lifemax obtained while the Agreement was in effect concerning names and address of Lifemax or any of its affiliates, employees or distributors. It is agreed that this provision shall survive the termination or expiration of the Agreement.

- U. NON-COMPETITION. Each distributor agrees not to compete with the protectable business interests of Lifemax by selling or promoting other products or opportunities (except as detailed under 'Other Services and Products') during the term of the Distributor Agreement. The distributor acknowledges and recognizes that these restrictions are necessary by Lifemax to protect its valuable interests and agrees that any injunction and/or other remedy is necessary and appropriate for Lifemax to protect such interests.
- V. VENDOR CONFIDENTIALITY. Lifemax business relationships with its vendors, manufacturers, and suppliers are confidential. A distributor shall not contact directly or contact indirectly, speak with, or communicate with any representative or any supplier, manufacturer, or vendor except at a Lifemax sponsored event at which the representative is present at the request of Lifemax.

V. TRADEMARK, LITERATURE AND ADVERTISING.

- A. TRADEMARKS. The name of Lifemax and the name of all of the Lifemax products, services and programs are the trademarks of and owned by Lifemax. Only Lifemax is authorized to produce and market products and literature under these trademarks. This includes but is not limited to slides, overheads, brochures, videos, domain addresses, email addresses, and other training and/or marketing materials and all promotional materials such as but not limited to t-shirts, caps, pins, backpacks, magnetic signs, cups and all other non-Lifemax produced promotional goods*. Use of the Lifemax name on any item not produced or authorized by Lifemax is prohibited, except in the manner described below:

Mary Jones
Lifemax Independent Distributor

NOTE: No other variation may be used to describe the distributor's association with Lifemax.

*This distinction must also be displayed on distributor promotional material or goods, approved by the Compliance Department.

- B. YELLOW AND WHITE PAGE LISTINGS. Distributors are not permitted to use the Lifemax trade name in advertising their telephone and fax numbers in the white or yellow pages section of the telephone book or on the Internet telephone directory without identifying themselves as independent distributors or independent contractors.
- C. TOLL FREE TELEPHONE NUMBER LISTINGS. Lifemax distributors are not permitted to list their "toll free" telephone numbers under the Lifemax trade name without first submitting a request to the Support Department for approval. If approval is obtained for a 'toll free' listing, it must be listed in the following manner:

John Jones
Lifemax Independent Distributor

NOTE: No other variation may be used to describe the distributor's association with Lifemax.

- D. IMPRINTED CHECKS. Lifemax distributors are not permitted to use the Lifemax trade name or any of its trademarks on their business or personal checking accounts.
- E. IMPRINTED BUSINESS CARDS OR LETTERHEAD. Lifemax independent distributors are not permitted to create their own business cards or letterhead graphics of the Lifemax name and/or trademarks. Only approved Lifemax versions and wording are permitted, which will be available through one of the vendors Lifemax has elected to designate for these purposes.
- F. COMPANY LITERATURE. Only official Lifemax literature may be used in presenting Lifemax products and/or the Lifemax Compensation Plan and business. Lifemax's literature may not be duplicated or reprinted without prior written permission from Lifemax, which may be obtained through email communication, mail or fax directed to the Compliance Department. Banners, trade show materials, and other related promotional material must be approved in advance and in writing by Lifemax. Items on the corporate website and the replicating distributor website may be downloaded for promotional purposes.
- G. ADVERTISING. Only materials approved by Lifemax may be used in the placement of advertising in any print, radio, television, Internet, electronic or other media. No person shall use the Lifemax name, logos, trademarks or copyrighted material in any advertising not produced by Lifemax or without express written permission from the Compliance Department of Lifemax. For approval, mail, fax or email a copy of the proposed advertising material to the Support Department or the Compliance Department directly. Include a description of the placement (name of publication, month, year, issue, etc). All promotional material shall contain the name and address or telephone number of Lifemax and the name and telephone number of the Independent Distributor. Lifemax will respond through email, mail or fax edits/approvals with an approval code. Approval codes must be visible on the lower right hand side of any approved material. Once approval is obtained, no text may be amended or changed. If any change is made whatsoever, the material must be represented for review. Allow approximately forty-eight (48) business hours from receipt for processing.
- H. INTERNET AND WEBSITE POLICY. A Lifemax distributor may promote his/her distributor business through the Lifemax replicating website program only. The website links directly to the official Lifemax website giving the distributor a professional and Lifemax-approved presence on the Internet. No distributor may independently design a website that uses the names, logos, or product descriptions of Lifemax or otherwise promote (directly or indirectly) Lifemax products or the Compensation Program.

Distributors may not use the trademarks of Lifemax or any derivative or abbreviation thereof as a domain name or email address. Distributors may not advertise or promote their distributor business or Lifemax's business, product or marketing plan or use the Lifemax name in any electronic media or transmission, including on the Internet via websites or otherwise, without prior written approval of Lifemax, which approval may be withheld at its sole discretion. If written approval is given, distributor must abide by the guidelines set forth by Lifemax, including but not limited to the following:

- a) Distributor shall not make offers of solicitation in the guise of research, surveys or informal communication, when the real intent is to sell products or services or sponsor distributors';
- b) Distributors operating online websites, whether or not they collect personal information from individual consumers, shall disclose to the consumer in a prominent place on the website how the consumer information will be used;

- c) Distributor sharing personal information collected online shall provide individual consumers the option to terminate any further communication between the distributor and the consumer and if any consumer requests that a distributor cease communication, the distributor shall immediately stop communicating upon such request
- d) Distributor must abide by all laws and regulations regarding electronic communications
- e) Distributors may not distribute content by use of distribution list or to any person who has not given specific permission to be included in such a process; spamming or distribution of chain letters or junk mail is not allowed
- f) Distributor may not distribute content that is unlawful, harassing, libelous, slanderous, abusive, threatening, harmful, vulgar, obscene or otherwise objectionable material or which could give rise to civil liability or otherwise violate any applicable local, state, national or international law or regulation
- g) Distributor may not, directly or indirectly, send bulk unsolicited emails to person with whom he/she has not had prior or existing personal or business relationship.
- h) Distributor must be active and in good standing with their distributor business in order to obtain authorization for an approved website.
- i) Approved Distributor websites must be immediately and without question recognized as that of a Lifemax Independent Distributor. Identification as an Independent Distributor must appear prominently on the home page, as well as all major sections (i.e. product pages, basic information, testimonials, etc.).
- j) It is the responsibility of the distributor to ensure that all information, including grammar and spelling are correct before the site is submitted for approval.
- k) All distributor websites are subject to federal, state and local laws and regulations. Approval of a distributor website's content does not ensure legal compliance with the governing bodies in a distributor's geographic area.
- l) Distributors shall not make offers or solicitations in the guise of research, surveys or informal communication, when the real intent is to sell products or services or sponsor Distributors.
- m) Distributors may not distribute content that is unlawful, harassing, libelous, slanderous, abusive, threatening, harmful, vulgar, obscene or otherwise objectionable material or which could give rise to civil liability or otherwise violate any applicable local, state, national or international law or regulation.
- n) The following statements must be included in each distributor's website to be considered for approval:

"Statements made in this publication have not been evaluated by the U.S. Food and Drug Administration. These products are not intended to diagnose, treat, cure or prevent any disease."

"As with any weight management or supplementation program, consult your healthcare provider before beginning any regimen, particularly if you have any known health concerns. Always read and follow label directions"

"The earnings mentioned in this publication may not be representative of your actual results. Your success as a Lifemax distributor depends upon your individual effort and enterprise."

"Product, company and marketing information and photos are copyrighted by Lifemax and used with permission."

- I. DOMAIN NAMES. Distributors may not use or attempt to register (a) Lifemax trade names, trademarks, service marks, product names, product ingredients, (b) the name (c) or any derivative of the foregoing for any Internet domain name.

Domain names discovered to be no-compliant will result in immediate suspension of distributorship, a penalty fee of \$25.00US (twenty-five dollars) calculated on a per day basis and possible termination of distributorship. In order for suspension to be lifted, distributors must first verify in writing that corrective measures have been taken and pay all penalty fees. Any repeated offense will result in immediate termination.

- J. E-MAIL AND NEWSGROUP MARKETING. Distributors emailing or employing other services to email unsolicited and unapproved email flyers are fully responsible for all information regarding the product and Compensation Plan that is not expressly contained in advertising and promotional material supplied directly by Lifemax. "Spamming" as well as telephoning or faxing without consent in compliance with various laws is strictly prohibited. Any and all information representing Lifemax, its Compensation Plan or products other than those provided by Lifemax must be approved in advance in writing.
- K. APPROPRIATE CONDUCT. Distributors shall not defame, abuse, harass, stalk, threaten or otherwise violate the legal rights (such as rights of privacy and publicity) of others. Distributors shall not publish, post, upload, distribute or communicate any inappropriate, profane, defamatory, infringing, obscene, indecent or unlawful topic name, material or information. Distributors shall not advertise or offer to sell any goods or services for any commercial purpose or conduct or forward surveys, contests, pyramid schemes or chain letters. Users of Lifemax website will not participate in any activity that will restrict or inhibit other users from using and enjoying the website.
- L. AUCTION SALES. Distributors may sell Lifemax products via live, silent, Internet or any other type of auctions (i.e. Ebay, Craig's List). The product may never be sold or auctioned below the suggested retail prices as set forth by Lifemax. All content posted on these sites must follow the guidelines set forth for non-replicated websites and at no time will contain information not authorized by Lifemax. The required disclaimers must be present.
- M. TRADE SHOWS. With prior written authorization from Lifemax, Lifemax products and the Compensation Plan may be displayed at trade shows by distributors. Request for participation in trade shows must be received in writing by Lifemax at least two (2) weeks prior to the event. Lifemax products and the Compensation Plan are the only products that may be offered in the trade show booth or table. It is important to have identifying information printed on any hand-outs used in any event.
- N. INCOME CLAIMS. Distributors may not display in any manner for recruiting purposes or any other reason, commission checks or make specific income claims or representations.
- O. MEDIA INTERVIEWS. Distributors are prohibited from granting radio, television, newspaper, tabloid, Internet, magazine or any other type of interviews or using public speaking appearances, public engagements, or making any type of statement to the public media to publicize Lifemax, its products or their individual Lifemax business without express, prior written approval from Lifemax, which may reasonably be withheld. All media contacts that are approved must be coordinated through Lifemax and must contain a complete description of the interview format and venue.

- P. ENDORSEMENTS. No endorsements by any Lifemax officers or administrators or third parties may be alleged, except as expressly communicated in Lifemax literature and communications.
- Q. INDEPENDENT COMMUNICATIONS. Distributors as independent contractors are encouraged to distribute information and direction to their respective Lifemax downline organization. Lifemax encourages the prudent distribution of newsletters, training manuals and workshops and other organizational programs aimed to help develop distributor business. However, distributors must identify and distinguish between personal communication created to help an organization and the official communication of Lifemax and must comply with these policies.
- R. DISTRIBUTOR TRAINING. Distributors are responsible for participation in the training of the distributors they sponsor. Training assistance is provided in Lifemax literature and in additional training tools as well as on the Internet. Further, distributors may attend local and regional training workshops for distributors.
- S. DISTRIBUTOR SERVICES. Lifemax provides every distributor who generates any income as a Lifemax distributor with management and training communications, timely delivery of products and sales material, and access on the Internet to reports of sales made by their sales organization for the calendar period in which commission and overrides are earned and paid.
- T. REPACKAGING PROHIBITED. The repacking of Lifemax products for resale is strictly prohibited under any circumstances.
- U. RECORDINGS. Distributors shall not produce or reproduce Lifemax produced audio or video taped materials detailing the Lifemax opportunity or products. Distributors or their guests may not audiotape, video tape or record any Lifemax function.
- V. TELEPHONE ANSWERING. Distributors may not answer the telephone or create recordings saying "Lifemax" or in any manner which could lead the caller to believe that he or she has reached the corporate offices of Lifemax.
- W. LIABILITY. Violation of any of the Policies and Procedures may be grounds for suspension and/or termination of the individual's distributorship. The violator also may be subject to civil or criminal liability resulting from violation of the Distributor Agreement, the Direct Selling Association Code of Ethics, the Policies and Procedures of Lifemax, or state or federal law. Additionally, Lifemax may withhold payment to any Lifemax distributor in an effort to offset any damages suffered by Lifemax as the result of a distributor's violation of the Distributor Agreement, the DSA Code of Ethics, the Policies and Procedures of Lifemax or state or federal law.

VI. PAYMENT OF BONUSES AND OVERRIDES

- A. DISTRIBUTOR APPLICATION AND AGREEMENT. Bonuses and overrides cannot be paid until a completed Distributor Application and Agreement has been received and accepted by Lifemax through the Internet. Bonuses are paid ONLY on the sales of Lifemax products. No bonuses are paid on the purchase of any sales materials, sales aids or for the recruitment of distributors.
- B. COMMISSION CHECKS. The minimum amount of payment of commission checks is \$25.00 US (twenty-five dollars) or as mandated in any foreign country or state. If the earned amount is less than that amount, it will be accumulated until such time that the amount exceeds \$25.00 US (twenty-five dollars).

VII. PURCHASE AND SALE OF PRODUCTS

- A. **STOCKPILING PROHIBITED.** The success of Lifemax depends upon retail sales to the ultimate consumer; therefore, all forms of stockpiling are discouraged. Lifemax recognizes that distributors may wish to purchase certain products in reasonable quantities for their own use, for inventory purposes and for the purpose of provisioning new distributors as they are sponsored. Lifemax strictly prohibits the purchase of product solely in an attempt to qualify for advancement in the Compensation Plan.
- B. **SALES PRESENTATIONS.** At sales presentations, distributor shall truthfully and clearly identify themselves, the company, the Lifemax products and the purpose of their business to prospective customers. Distributor may not use any misleading, deceptive, or unfair sales practices. Explanation and demonstration of products offered shall be accurate and complete including, but not limited to, with regard to price, terms of payment, refund rights, guarantees and after-sales services and delivery. Personal or telephone contact shall be made in a reasonable and polite manner and during reasonable hours to avoid intrusiveness. Distributor must immediately discontinue a demonstration or sales presentation upon request of the consumer. Distributors shall not directly or by implication, denigrate any other company, business, products or services. Distributor shall refrain from using comparisons which are likely to mislead and which are incompatible to the principles of fair competition. Independent Distributors shall not make misleading comparisons of another company's direct selling opportunity, products or services. Points of comparison shall not be unfairly selected and shall be based on facts which can be substantiated. Distributor shall not abuse the trust of individual consumers, shall respect the lack of commercial experience of consumers and shall not exploit a consumer's age, illness, lack of understanding or lack of language expertise.
- C. **DIRECT PURCHASE.** Lifemax distributors may purchase products directly from Lifemax. If a new distributor purchases product from his/her sponsor or upline distributor the BV associated with that purchase will not be attributed to the new distributor as it will not have been purchased directly from Lifemax. To replace the BV, the sponsor or upline should place an order in the new distributor's name, shipped to himself or herself. Note: Lifemax distributors in good standing may personally place orders through the Lifemax website upon enrollment, purchased at distributor cost using their own PIN (personal identification number).
- D. **RETURNED PACKAGES.** In the event that a package is returned due to a distributor's error or if the package was not picked up in a timely manner and is therefore returned, Lifemax will charge the distributor a re-shipping fee.
- E. **PAYMENT OPTIONS.** Purchases may be paid by money order, cashier's check or any applicable credit card.
- F. **CREDIT CARD PURCHASES.** Credit card purchases may only be made by the individual whose name and address or business name are on the credit card. Any distributor who uses another individual's credit card to pay for purchases risks having his/her distributorship placed on suspension pending investigation and resolution of any complaints regarding unauthorized charges. Lifemax considers such transactions fraudulent and will report them to the proper authorities for settlement.

Under no circumstance will any distributor charge back any credit card purchase. Any distributor who does so will immediately lose all credit card ordering privileges until the charges are replaced with certified funds. If an erroneous charge is applied to a distributor's credit card, the distributor should immediately contact the Support Department of Lifemax to initiate an investigation and resolution.

- G. **INACTIVE DISTRIBUTOR POSITIONS.** Any distributor position that has not been activated within a period of twenty-eight (28) days from the enrollment date with paid product order(s) or back office service will be considered voluntarily resigned and will not be eligible for reinstatement at a later date. In addition, inactive positions, showing no orders with BV and no back office service will be terminated after ninety (90) days from the inactive date. Distributors whose positions have been terminated after ninety (90) days, as detailed above, may elect to re-sign after the ninety (90) day period.
- H. **BACK ORDERS.** Should any product or sales material be unavailable for any period of time, Lifemax distributors will be given the option of placing the orders and waiting for availability or cancelling their order with full reimbursement or cancelling that portion of their order with the back ordered item without penalties until those items are ready for shipping.
- I. **SEVENTY PERCENT RULE.** In order to qualify for commissions and overrides, the distributor must certify that he/she has sold to retail customers or personally consumed seventy percent (70%) of all products previously purchased. This is known in the industry as the "Seventy Percent Rule".
- J. **SHIPPING ADDRESS.** Lifemax will only accept street addresses for shipping purposes. Orders are shipped by UPS in order that they may be tracked and, if necessary replaced in a timely manner. Post office boxes are accepted for the mailing of commission checks only.
- K. **SHIPPING COSTS.** It is the ordering distributor's sole responsibility to indicate (a) method and means of shipping, and (b) destination address. The methods available are noted above and on the Lifemax website along with prepaid costs. Shipping costs will be automatically calculated. Should the receiving party of an order shipped from Lifemax refuse delivery and the shipment is then returned to Lifemax, the ordering distributor's status will be made 'inactive' pending resolution of the delivery refusal. Return delivery charges will be deducted from the distributor's account. Also see: The Returned Packages Section above.
- L. **TIMELY PRODUCT AND MATERIAL DELIVERY.** Upon clearance of payment, Lifemax processes for shipment the product(s) and material(s) selected. If an item is temporarily unavailable due to a high demand, the consignee will be notified by way of the packing slip which is included with the shipment. Should a back order occur, the item(s) will be shipped as soon as available, usually within ten (10) days of the date the original order and payment were received.
- M. **SPECIAL ORDERS/HELD SHIPMENTS.** Lifemax will not "hold" orders or delay shipment of products that have been processed. Once payment has been received, all orders must be released for shipping.
- N. **DAMAGED GOODS.** The shipping company is responsible for damage that occurs after it takes physical custody of the goods. A distributor who receives damaged goods should follow these steps:
- a) Take delivery
 - b) Before the driver leaves, document on the delivery receipt the number of boxes that appear to be damaged:
 - c) Save the damaged product and boxes for inspection by the shipping agent;
 - d) Make an appointment with the shipping company to have the damaged goods inspected;
 - e) File a claim with the shipping company; and
 - f) Notify the Support Department of Lifemax.

- O. **SHORT SHIPMENTS.** Lifemax takes pride in fulfilling orders in an accurate and timely manner. However, in those rare instances where they may occur, a correction will be handled quickly to avoid further delay to the recipient. Any distributor is provided with a period of five (5) business days following receipt of shipment to report any shortages. Once notified and verified, Lifemax will ship missing items to the address on the original order.
- P. **COMMISSION ADJUSTMENTS.** Any upline distributor affected by returned products to Lifemax will accordingly be subject to adjustments on his or her commissions, overrides and bonus accounts, personal volume, etc. based upon all commissions and bonuses paid on the returned product.
- Q. **BONUS BUYING.** Bonus buying includes:
 - a) The enrollment of an individual or entity as a Lifemax distributor without the knowledge of and/or execution of a Distributor Application and Agreement online by such individual or entity,
 - b) The fraudulent enrollment of an individual or entity as a distributor
 - c) The enrollment or attempted enrollment of non-existent individuals or entities as distributors (phantoms),
 - d) The use of a credit card on behalf of a distributor or prospective distributor without approval to do so, or stockpiling.

Bonus buying constitutes a material breach of these Policies and Procedures, and is strictly prohibited.

- R. **PRICE CHANGES.** Lifemax products and literature prices are subject to change without prior notice.
- S. **SUGGESTED RETAIL PRICING (SRP).** Lifemax provides a suggested retail price as a guideline. Lifemax distributors may sell Lifemax products at whatever price they and their customers agree upon, however, a distributor is not permitted to advertise any price below the Lifemax suggested retail price. This includes but is not limited to "free" products or any other special pricing or incentive that would fall below the SRP. No Lifemax product may be offered along with the products of any other company.
- T. **RETAIL SALES.** In order to qualify to any compensation, payable under the Lifemax Compensation Plan, the distributor must certify that product has been sold to the ultimate consumer during each commission period by completing the Retail Sales Compliance Form.
- U. **RECEIPTS: RETAIL PRICING.** Lifemax distributors will provide all retail customers of Lifemax products with two (2) printed sales receipts at or prior to the time of the initial sale. Distributors who order through the Internet for their customers will receive email confirmation of acceptance in addition to the packing slip, which will be inside the package.
- V. **SALES TAX.** Independent Distributors are responsible for any and all applicable sales tax associated with the purchase or sale of all Lifemax products.
- W. **AUTO-SHIP ORDERS.** Lifemax reserves the right to modify product prices at any time. However if price adjustments are made by Lifemax, Lifemax will use reasonable efforts to communicate the information to all distributors to allow for changes or cancellation of Autoship orders prior to processing. Changes due to tax and other regulatory issues may be made at any time, without prior notice.
- X. **RETAIL STORES.** Lifemax is a direct sales company. Our success is based upon our distributors selling directly (one-on-one) to the consumer, in a personal and caring

manner. In order to maintain this personal contact with our customers and to provide equal opportunity to all distributors who sell Lifemax products to consumers, Lifemax places certain restrictions on the sales of its products to or through commercial establishments.

No distribution of product is permitted through chain stores as determined by Lifemax. Generally, Lifemax considers any retail business with more than five (5) separate locations to be a chain store.

Lifemax will be the sole judge of whether a commercial enterprise violates the policies, spirit or intent of its guidelines and reserves the right to modify, amend or rescind its approval as current business conditions may dictate.

- Y. CONSIGNMENT. In order to protect the Lifemax business and the integrity of Lifemax, Lifemax products may not be delivered to another party on consignment. Only authorized Lifemax distributors may sell Lifemax products to an outside party.
- Z. WARRANTIES. Except as expressly stated herein, Lifemax 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 Lifemax.

VIII. RETAIL GUARANTEE AND REFUND POLICY

- A. RETAIL CUSTOMER RETURNS. Lifemax offers a one hundred and twenty (120) day, 100% unconditional money back guarantee on products sold to all retail customers. Every Lifemax distributor is bound by his/her Application and Agreement and the Policies and Procedures to honor this guarantee. Prior to the completion of any retail sale a distributor must make a verbal disclosure of the right to the unconditional guarantee. If a retail customer is dissatisfied with any Lifemax product for any reasons, then he or she may return the unused portion of the product to the distributor from whom it was originally purchased within one hundred and twenty (120) days for either a replacement, exchange for another product or a full refund of the purchase price of the product.

Lifemax will replace the returned product to the distributor providing the following steps and conditions are met:

- a) The Lifemax Support Department is notified of a pending retail customer return
- b) The product is returned to Lifemax as instructed by the Support Department;
- c) The product is received by Lifemax within fifteen (15) days from the return date to the distributor; and
- d) The return is accompanied by the following:
- e) A signed statement from the retail customer identifying the reason for the return and including:
- f) A dated copy of the original sales receipt
- g) The product as received from the retail customer
- h) The name, address and telephone number of the retail customer.
- i) Proper shipping carton(s) and packing material are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. It is suggested that a shipping method that offers tracking capability be used to ensure delivery. Lifemax will pay the cost of shipping replacement product(s) to the distributor.

Lifemax will not refund, to any distributor, the purchase price of any retail customer returns and no replacement products will be released if the conditions of the rule are not met.

Requests for replacement or exchanges of product returns from retail sales must be clearly written with complete details (name, address, telephone number, email address, if available, and any other information that would allow Lifemax to verify the sale and subsequent return). Unverifiable retail sales cannot be replaced or exchanged. Falsified information could lead to further investigation and possible suspension of distributorship.

- B. RETURN PRODUCT AUTHORIZATION (RMA). Before any product may be returned to Lifemax, whether it is a shipping error, retail customer return, damaged products, quality control or resignation, the distributor must contact the Lifemax Support Department either by fax, postal delivery or email to obtain a Retail Merchandise Authorization Number. Any package received without such identification clearly visible on the package exterior will be refused.
- C. QUALITY CONTROL (QC). Lifemax will replace, within thirty (30) days of purchase any product found to be defective (other than products damaged during or after shipping). We therefore encourage distributors to inspect their packages upon receipt. Requests beyond the allowance period will be denied. No product should be returned to Lifemax prior to the approval to do so from the Support Department whether through telephone, fax or email request. In order to assure that replacement product will be issued, strict compliance with the following procedure is required:
 - a) A written replacement request must be submitted, stating the reason for the request and accompanied by verification of payment or order copy.
 - b) Upon notification, Lifemax will instruct the distributor where to ship the defective product and will issue the RMA number, which must be clearly written on the exterior of the returned package containing the returned product. Upon receipt and verification Lifemax will ship out replacement product(s).
- D. RESIGNATION RETURNS. If the distributor has purchased product for inventory purposes or sales aids while the Agreement was in effect, all products in a current, reusable and resalable condition that have been purchased within 1(one) year preceding resignation as a Lifemax distributor shall be repurchased by Lifemax, subject to compliance with the Seventy Percent Rule. The purchase shall be at a price of no less than 90% of the original net cost to the participant minus any freight charges and commissions paid to the distributor as a result of the sale of the returned product. Any such requests will be considered as the resignation of the distributorship.

If inventory is returned that does not meet the above conditions for return, such merchandise will be held for a period of thirty (30) days during which time the distributor has the right to request return of those items. Distributors will pay all shipping charges. Should this request not be received by the Support Department of Lifemax in the time period noted above, Lifemax will reserve the right to destroy such inventory without further compensation to the distributor who submitted it for review. In order to ensure that a refund is issued in a timely manner, the following steps should be followed:

- a) A written request must be submitted, either by fax or email to Lifemax Support Department, clearly citing the reason for the resignation and for the return of product and/or sales kits.
- b) Upon receipt of the proper information, Lifemax will instruct the distributor where to ship the product(s) along with a RMA number, which must be

clearly visible on the exterior of the package used to return the product(s). Any return without this detail, readily visible, will be refused without exception.

- c) The distributor assumes the cost of shipping any products to Lifemax.
 - d) The distributor assumes responsibility for packing and shipping products back in a manner that will ensure that it is received in a timely manner and with minimal damage. It is suggested that a shipping method that offers tracking details be employed.
 - e) Refunds will be issued within approximately thirty (30) days from the date of receipt of authorized merchandise. Reimbursements will be issued in the same manner that payment was originally received. That means that if a credit card was used in the initial transaction, that same card will be issued the refund. If the credit card has been cancelled, a note will be required from the banking institution to which it was associated.
 - f) Commissions on Refunded Products: Any returned products for refund that entitles upline Distributors to qualify for incentive and/or commissions may result in loss of incentive qualification and any commissions earned. Lifemax will deduct commissions paid for refunded products from future commission checks.
- E. UNAUTHORIZED RETURNS. Should a distributor refuse delivery of any Lifemax shipment or request to return any previously purchased product for refund, such a request will be deemed as voluntary resignation.
- F. BUYERS RIGHT TO CANCEL. Federal law empowers a buyer to cancel certain sales without penalty prior to midnight of the 3rd business day following the transaction. This rule generally covers retail consumer sales of \$25.00 or more that occur away from the retailer's main office. The distributor must orally inform the buyer of the three (3) day right to cancel at the time the buyer signs the contract of sales or purchase of goods AND INCLUDE two (2) copies of the Notice of Cancellation (in the form required by federal law) in the contract or receipt relating to the sale. Various States provide additional rights to cancel certain types of sales. Distributors are required to become familiar and comply with the federal law and any such laws in the States where they make retail sales.
- G. EXCHANGES. Lifemax will not accept product exchanges from distributors.
- H. DISTRIBUTOR RESPONSIBILITY. If a retail customer mails or delivers to a distributor a valid notice of cancellation prior to midnight on the third (3rd) business day after ordering or purchasing product (or such other time period established by applicable State law), it must be honored by the distributor. If a buyer has taken delivery of any goods, that product must be returned along with the notice in substantially as good a condition as when delivered. Within 10 (ten) business days after receiving the notice (or shorter period required by applicable State law), the distributor must refund all payment made under the contract of sale.
- Should a retail customer contact Lifemax's Support Department concerning the refusal of a distributor to issue the appropriate refund in the time period indicated, such distributor will be subject to suspension of distributorship pending resolution of the complaint.
- I. PLATINUM LEVEL PARTICIPATION. In the event that a distributor elects to participate in Lifemax at the Platinum level, whereby Lifemax ships introductory packages of product on behalf of the distributor, any resulting rejections or returns following the specified time allowance will be subject to refund calculations of ninety percent (90%), less shipping and handling.

- J. THIRD-PARTY VENDORS. Should a distributor purchase non-required promotional items, apparel, sales tools or other materials through a third party vendor, the terms of service for that entity prevail.
- K. FILING A COMPLAINT. If a consumer or Independent Distributor has a complaint against an Independent Distributor for any business practice that they believe is unethical or illegal and a possible violation of the Lifemax Policies and Procedures and the DSA Code of Ethics, we recommend the following. First, contact the Independent Distributor immediately and explain your concerns. Second, if the Independent Distributor cannot or will not correct the problem to your satisfaction, write the company and explain the situation and outline the steps you would like to see taken.
- L. FILING A COMPLAINT WITH THE DIRECT SELLING ASSOCIATION. If you feel that Lifemax has not resolved your problem satisfactorily then you may wish to file a complaint with the Direct Selling Association. You may file your complaint by going to the DSA's website www.dsa.org or by mailing the complaint to Direct Selling Association, Attn: Code Administrator, 1667 K Street, NW, Suite 1100, Washington, DC 20006.

IX. GENERAL PROVISIONS

- A. RECORD KEEPING. Lifemax requires all of its distributors to maintain complete and accurate records of their business transactions. Lifemax may exercise its option to request records relating to retail sales or other matters as described herein or as required by applicable law. Independent Distributors shall take appropriate steps to safeguard the protection of all private information provided by a consumer, a prospective consumer or other independent distributors.
- B. AMENDMENTS. In order to maintain a viable Marketing Program in changing economic conditions and/or to comply with changes to federal, state or local laws, Lifemax at its discretion reserves the right to amend the Policies and Procedures as set forth therein, its distributor prices or suggested retail prices, product availability and formulations, and Compensation Plan as it deems appropriate without prior notice. Such Policies and Procedures and Compensation Plan modifications and all changes thereto, shall become a binding part of the Agreement upon publication on the official Lifemax website. It is the distributor's responsibility to stay abreast of current and updated information and Lifemax is in no way liable for any distributor's ignorance of the correct and current information if he/she fails to do so. In the event of any conflict between the Agreement and any such amendment, the amendment shall control. If Lifemax's brochures, product catalogs, price lists, literature, website information, fax-on-demand, etc. are revised; only the most current version is authorized for use by Lifemax distributors.
- C. NON-WAIVER PROVISIONS. No failure of Lifemax to exercise any power under these Policies and Procedures or to insist on strict compliance by a 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 Lifemax's right to demand exact compliance with these Policies and Procedures. Waiver by Lifemax can be affected only in writing by an authorized officer of Lifemax.

Lifemax's waiver of any particular default by a distributor shall not affect or impair Lifemax's right with respect to any subsequent default, nor shall it affect in any way the right or obligation of any other distributor, nor shall any delay or omission by Lifemax to exercise any right arising from default affect or impair Lifemax's right as to that or any subsequent default.

- D. **CERTAIN RESIDENTS ONLY.** The following only applies to distributors who are residents of Georgia, Louisiana, Massachusetts, Wyoming, Montana, and other states that may specifically require the following: A distributor in this multilevel marketing plan has the right to cancel at any time regardless of reason. Cancellation must be submitted in writing, following the same procedure that distributors in other areas must follow.

If the distributor has purchased product or paid for administrative services while this Agreement was in effect, Lifemax shall repurchase all unencumbered product in a reasonable, resalable and reusable condition which was acquired by the distributor from Lifemax. Such purchase shall be at a price of not less than 90% of the cost to the distributor returning the goods, taking into consideration any sales made by or through such distributor prior to notification to Lifemax of the election to cancel.

The repayment of all administrative fees and services shall be at no less than 90% of the cost to the distributor of such fees and services and shall reflect all administrative services that have not, at the time of resignation, been provided to the distributor. Lifemax shall further refund at not less than 90% of the cost to the distributor of any other consideration paid by the distributor in order to participate in the program. The distributor will be held responsible for all shipping expenses incurred in returning sales kits or products to Lifemax.

- E. **REPORTING POLICY VIOLATIONS.** Distributors who observe or are made aware of a policy violation by another Lifemax distributor are encouraged to submit a written report of the incident or incidents to the Compliance Department either through fax, mail or email. Such documents must bear the writer's signature and distributor identification number. Anonymous complaints will not be accepted or acted upon. No telephone calls will be accepted regarding such matters as documentation must be presented in writing from the complaining party, collaborating witnesses and ultimately from the individual or individuals cited for the infraction. Details of the incident such as dates, number of occurrences, persons involved, witnesses and other supporting documentation should be included in the report.

Note: The name of the complaining parties and any other witnesses will be held in strict confidence and not revealed to the distributor who has committed the violation.

- F. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State of Florida.
- G. **ARBITRATION.** All disputes and claims relating to Lifemax, the Agreement, or its products, the rights and obligations of a distributor of Lifemax, or any claims or causes of actions relating to the performance of either a distributor or Lifemax under the Agreement, and/or a distributor's purchase of products shall be settled totally and finally by arbitration in Orlando Florida or such other location as Lifemax prescribes, in accordance with the Federal Arbitration Act, and the Commercial Arbitration Rules of the American Arbitration Association. There shall be one (1) arbitrator, an attorney at law, who shall have expertise in business law transactions with preference being an attorney knowledgeable in the direct selling industry, selected from a panel, which the American Arbitration Association approves. Each party to the arbitration shall be responsible for its own costs and expenses or arbitration, including legal and filing fees. If a distributor files a claim or counterclaim against Lifemax, a distributor shall do so on an individual basis and not with any other distributor or as part of a class action. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of complete jurisdiction. This agreement for

arbitration shall survive any termination or expiration of the Agreement.

Notwithstanding the foregoing, the arbitration shall have no jurisdiction over disputes relating to the ownership, validity or registration of any mark or any intellectual property or proprietary confidential information of Lifemax without Lifemax's written consent. Lifemax may seek any applicable remedy in any applicable forum with respect to these disputes and with respect to money owing to Lifemax. In addition to monetary damages, Lifemax may obtain injunctive relief against a distributor in violation of the Agreement, and for any violation of misuse of Lifemax trademark, copyright or confidential information policies.

Nothing in this rule shall prevent Lifemax from terminating the Distributor Agreement or from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other injunctive or emergency relief available to safeguard and protect Lifemax's interests prior to the filing of or during or following any arbitration or other proceeding or pending the handing down of a decision or award in connection with any arbitration or other proceeding. Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to, or to subtract from any of the provisions of the Policies and Procedures, Compensation Plan or the Distributor Agreement.

The existence of any claim or cause of action of a distributor against Lifemax, whether predicated on the Agreement or otherwise, shall not constitute a defense to Lifemax's enforcement of the covenants and agreements contained in the Agreement.

- H. ENTIRE AGREEMENT. This Agreement (comprised of these Policies and Procedures, the Application and Agreement, the Compensation Plan and the DSA Code of Ethics) as may exist or thereafter be amended, constitutes the entire agreement of the parties regarding their relationship, the subject matter hereof and related hereto.
- I. SEVERABILITY. If under any applicable and binding law or rules of any applicable jurisdiction, any provision of the Distributor Application and Agreement, including these Policies and Procedures, or any specification, standard or operating procedure which Lifemax has prescribed is held to be invalid or unenforceable, is declared invalid or enforceable under any applicable and binding law or rules of any applicable jurisdiction, Lifemax shall have the right to modify the invalid or unenforceable provision, specification, standard operating procedure or any portion thereof to the extent required to be valid and enforceable. A distributor shall be bound by any such modification. The modification will be in effect in the jurisdiction on which it is required.
- J. LIMITATION OF DAMAGES. To the extent allowed by law, Lifemax and its affiliates, officers, directors, employees and other distributors shall not be liable for and each distributor hereby releases the foregoing from, and waives any claim for loss of profit, incident, special, consequential or exemplary damages, that may arise out of any claim whatsoever relating to Lifemax's performance, non-performance, act or omission with respect to the business relationship or other matter between the distributor and Lifemax whether in contract, tort or strict liability. Furthermore, it is agreed that any damage to the distributor shall not exceed and is hereby expressly limited to, the amount paid to Lifemax (less amounts received from Lifemax or from retail sales of Lifemax products), the amount of unsold Lifemax product owned by the distributor that was directly purchased thereby from Lifemax, and any commissions, bonuses or refunds due.
- K. INDEMNITY AGREEMENT. Each and every Distributor agrees to indemnify and hold harmless Lifemax, 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 Distributor's (a) activities as a Distributor; (b) breach of the terms of the Agreement or these Policies and Procedures; and/or (c) violation of or failure to comply with any applicable federal, state or local law or regulation.

- L. FORCE MAJEURE. Lifemax shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as strike, labor difficulties, fire, war, government decrees or orders or curtailment of a party's usual source of supply.
- M. GOVERNING LAW. The Distributor Agreement and these Policies and Procedures shall be governed by the laws of the State of Florida.

*Policies and procedures subject to change at any time