

SuperSMARTFoods, brought to you by directionH a division of ANGELtrition, a 501c3 Non-profit Corporation

Terms and Conditions (Effective June 1, 2018)

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SECTION 1 - INTRODUCTION

1.1 - Policies and Procedures, Thank You Reward Program, and Membership Agreement.

These Policies and Procedures, in their present form and as amended at the sole discretion of SuperSMARTFoods/directionH™ (hereafter “SSF/DH” or the “Association”), are incorporated into, and form an integral part of, the SSF/DH Membership Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the SSF/DH Membership Application and Agreement, these Policies and Procedures, and the SSF/DH Marketing and Thank You Reward Program, Terms and Conditions, Privacy Policy, and Refund Policy. These documents are incorporated by reference into the SSF/DH Membership Agreement (all in their current form and as amended by SSF/DH). It is the responsibility of each Membership to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new Member, it is the responsibility of the sponsoring Member to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the SSF/DH Marketing and Thank You Reward Program prior to his or her execution of the Membership Agreement.

1.2 - Purpose of Policies

SSF/DH is a Private Membership Association that markets its products exclusively through Independent Marketing Members (hereafter “Member” or “Members”). It is important to understand that your success and the success of your fellow Members depend on the integrity of the men and women who share our products and services. To clearly define the relationship that exists between Members and SSF/DH, and to explicitly set a standard for acceptable business conduct, SSF/DH has established the Agreement.

SSF/DH Members are required to comply with all of the Terms and Conditions set forth in the Agreement, as well as all federal, state, and local laws governing their SSF/DH business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between you, as an independent Member and the Association. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from SSF/DH.

1.3 - Changes to the Agreement

Because federal, state, and local laws as well as the business environment periodically change, SSF/DH reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By signing the Membership Agreement, a Member agrees to abide by all amendments or modifications that SSF/DH elects to make. Amendments shall be effective 30 days after publication of notice that the Agreement has been modified. Notification of amendments shall be published by one or more of the following methods: (1) posting on the Association’s official web site; (2) electronic mail (e-mail); (3) inclusion in Association periodicals; (4) inclusion in product orders or

bonus checks; or (5) special mailings. The continuation of a Member's SSF/DH Membership or a Member's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

1.4 - Delays

SSF/DH shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation: strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders.

1.5 - Policies and Provisions Severable

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

1.6 - Waiver

The Association never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of SSF/DH to exercise any right or power under the Agreement or to insist upon strict compliance by a Member with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the agreement, shall constitute a waiver of SSF/DH's right to demand exact compliance with the Agreement. Waiver by SSF/DH can be effectuated only in writing by an authorized officer of the Association. SSF/DH's waiver of any particular breach by a Member shall not affect or impair SSF/DH's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Member. Any delay or omission by SSF/DH to exercise any right arising from a breach shall not affect or impair SSF/DH's rights as to that or any subsequent breach. The existence of any claim or cause of action of a Member against SSF/DH shall not constitute a defense to SSF/DH's enforcement of any term or provision of the Agreement.

SECTION 2 - BECOMING A LIFETIME OR MARKETING MEMBER

2.1 - Requirements to Become a Member

To become a SSF/DH Member, each applicant must:

- Be of the age of majority in his or her state of residence or have a legal guardian sign his or her application;
- Reside in the United States or U.S. Territories or country that SSF/DH has officially announced is open for business;
- Have a valid Social Security or Federal Tax ID number;

- Submit a properly completed Membership Application and Agreement to SSF/DH either in hard copy or online format;
- Members enrolling as a business entity must complete and submit a Membership Application and Agreement as the business entity.
- Membership fees are non-refundable.

2.2 - Product Purchases

No person is required to purchase SSF/DH products to become a Member. In order to familiarize new Members with SSF/DH products, services, sales techniques, sales aids, and other matters, the Association strongly suggests the Member attends one of SSF/DH's training conferences.

2.3 - Membership Benefits

Once the Membership Application and Agreement has been accepted by SSF/DH, the benefits of the Marketing and Thank You Rewards Program are available to the new Member. These benefits include the right to:

- Promote SSF/DH products and services;
- Participate in the SSF/DH Marketing and Thank You Reward Program (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Wholesale Members or Retail Members into the SSF/DH business and thereby build a Planned Community and progress through the SSF/DH Marketing and Thank You Reward Program;
- Receive periodic SSF/DH literature and other SSF/DH communications;
- Sponsored support, service, training, motivational and recognition functions (upon payment of appropriate charges, if applicable) and;
- Participate in promotional and incentive contests and programs sponsored by SSF/DH for its Members.

2.4 - Term and Renewal of Your DH Business

The term of the Membership Agreement for purchasing products and services is one year from the date of its acceptance by SSF/DH. Wholesale Members must renew their Membership Agreement each year by paying an annual renewal fee of \$10.00 on or before the anniversary date of their Membership Agreement. Retail Members must renew their Membership Agreement each year by paying an annual renewal fee of \$10.00 on or before the anniversary date of their Membership Agreement. If the renewal fee is not paid within 30 days after the expiration of the current term of the Membership Agreement, the Membership Agreement will be canceled. Memberships may elect

to utilize the Automatic Renewal Program (“ARP”). Under the ARP, the renewal fee will be charged to the Member’s credit card on file with the Association.

SECTION 3 - OPERATING A DH BUSINESS

3.1 - Adherence to the SSF/DH Marketing and Thank You Reward Program

Members must adhere to the terms of the SSF/DH Marketing and Thank You Reward Program as set forth in official DH literature. Memberships shall not offer the SSF/DH opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official SSF/DH literature.

Members shall not require or encourage other current or prospective Members to participate in SSF/DH in any manner that varies from the program as set forth in official SSF/DH literature.

Members shall not require or encourage other current or prospective Members to execute any agreement or contract other than official SSF/DH agreements and contracts in order to become a SSF/DH Member. Similarly, Members shall not require or encourage other current or prospective Members to make any purchase from, or payment to, any individual or other entity in order to participate in the SSF/DH Marketing and Thank You Reward Program other than those purchases or payments identified as recommended or required in official SSF/DH literature.

3.2 - Advertising

3.2.1 - General

All Members shall safeguard and promote the good reputation of SSF/DH and its products. The marketing and promotion of SSF/DH, the SSF/DH opportunity, the Marketing and Thank You Reward Program, and SSF/DH products shall be consistent with Member interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the products and services, and the tremendous opportunity SSF/DH offers, Members must use the sales tools and support materials produced by SSF/DH. SSF/DH has carefully designed its products, product labels, Marketing and Thank You Reward Program, and promotional materials to ensure that each aspect of SSF/DH is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws. If SSF/DH Members develop their own sales tools and promotional materials in order to promote SSF/DH’s products or the SSF/DH opportunity on blog sites, social networks, or other forums, notwithstanding their integrity and good intentions, there is a considerable likelihood that they would unintentionally violate any number of statutes or regulations affecting a SSF/DH business. These violations, although they may be relatively few in number, would jeopardize the SSF/DH opportunity for all Members. Accordingly, Members must not produce their own literature, advertisements, sales tools and promotional materials, or Internet web pages.

3.2.2 - Membership Web Sites

If a Member desires to utilize an Internet web page to promote his or her business, he or she must use an official SSF/DH replicated website. No websites other than SSF/DH provided replicated websites are permitted. Team Sites used for information and training are exempt as well as business web sites using SSF/DH website material with links to an official SSF/DH replicated website.

3.2.3 - Online Auctions and other Online Forums

Members may not sell SSF/DH products through online auction, barter, or brokerage sites, including but not limited to amazon.com, Craigslist, and eBay. SSF/DH is a Private Membership Association and as such only Members can purchase SSF/DH products and services. SSF/DH is not a public sales company.

Likewise, Members may not sell SSF/DH products to any person or business that intends to sell the products on any such site or to any person or business that is known to sell nutrition supplements or cosmetics on any such site. This Section 3.2.3 remains in effect even after termination of the Membership Agreement.

3.2.4 - Domain Names

Members may not use or attempt to register any of SSF/DH's trade names, trademarks, service names, service marks, product names, designs, symbols, the Association's name, or any derivative thereof, for any Internet domain name, URL or email address.

3.2.5 - Trademarks and Copyrights

SSF/DH will not allow the use of its trade names, trademarks, service names, service marks, product names, designs, or symbols by any person, including SSF/DH Members, without its prior, written permission. Members may not produce for sale or distribution any recorded Association events and speeches without written permission from SSF/DH nor may Members reproduce for sale or for personal use any recording of Association produced audio or video tape presentations.

3.2.6 - Media and Media Inquiries

Members must not attempt to respond to media inquiries regarding SSF/DH, its products or services, or their independent SSF/DH business. All inquiries by any type of media must be immediately referred to SSF/DH's Compliance Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

3.2.7 - Unsolicited Email

SSF/DH does not permit Members to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal

CAN SPAM Act. Any email sent by a Member that promotes SSF/DH, the SSF/DH opportunity, or SSF/DH products and services must comply with the following:

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

SSF/DH may periodically send commercial emails on behalf of Members. By entering into the Membership Agreement, Members agree that the Association may send such emails and that the Member's physical and email addresses will be included in such emails as outlined above.

Members shall honor opt-out requests generated as a result of such emails sent by the Association.

3.2.8 - Unsolicited Faxes

Except as provided in this section, Members may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their SSF/DH businesses. The term "automatic telephone dialing system" means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers. The term "unsolicited faxes" means the transmission via telephone facsimile of any material or information advertising or promoting SSF/DH, its products, its Thank You Reward Program or any other aspect of the Association which is transmitted to any person, except when a fax or e-mail is sent: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Member has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two way communication between a Member and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Member; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

3.2.9 - Business Cards, Telephone Book Listings

The name of SSF/DH and other names as may be adopted by SSF/DH are proprietary trade names, trademarks and service marks of SSF/DH. As such, these marks are of great value to SSF/DH and are supplied to Members for their use only in an expressly authorized manner. Use of SSF/DH name on any item not produced by the Association is prohibited except as follows: all Members may list themselves as an "Independent SSF/DH Member" in the white or yellow pages of the telephone directory under their own name. No Member may place telephone directory display ads using SSF/DH's name or logo. Members may not answer the telephone by saying "SSF/DH", "SSF/DH Incorporated", or in any other manner that would lead the caller to believe that he or she has reached corporate offices of SSF/DH.

3.3 - Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. "Bonus buying" includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Associate Membership Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as a Wholesale Member or Retail Member; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Marketing Members or Appreciation Members ("phantoms"); (d) purchasing excessive amounts of goods or services that cannot reasonably be used in a month; and/or (e) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user Members.

3.4 - Business Entities

A corporation, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a SSF/DH Member by submitting a properly completed SS/DH Membership Application and Agreement.

Business Entity Applications can be submitted in hard copy or online and each of all the partners, members, shareholders, or other individuals must also submit a completed SSF/DH Membership Application and Agreement with the exception of the signer of the Business Entity. A SSF/DH business may change its status under the same sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another with a properly executed SSF/DH Membership Application and Agreement in hard copy or online.

If the original Member wants to terminate his or her relationship with the Association, he or she must re-assign his or her business in accordance with Section 3.26. If this process is not followed, the business shall be canceled upon the withdrawal of the original Membership. All bonus and commission checks will be sent to the address of record of the original Member. Please note that the modifications permitted within the scope of this paragraph do not include a change of sponsorship. Changes of sponsorship are addressed in Section 3.5 below. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed SSF/DH

Membership Application and Agreement. SSF/DH may, at its discretion, require notarized documents before implementing any changes to a SSF/DH business.

Please allow thirty (30) days after the receipt of the request by SSF/DH for processing.

3.4.1 - Changes to a Business Entity

Each Member must immediately notify SSF/DH of all changes to the type of business entity they utilize in operating their businesses and the addition or removal of business Members. Changes shall be processed only once per year. All changes must be submitted by November 30th to become effective on January 1st of the following year.

3.5 - Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all Members, SSF/DH strongly discourages changes in sponsorship. Maintaining the integrity of sponsorship is critical for the success of every Member and marketing organization.

Accordingly, the transfer of a SSF/DH business from one sponsor to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to the Member Services Department, and must include the reason for the transfer. Transfers will only be considered in the following three circumstances:

3.5.1 - Misplacement

In cases in which the new Member is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, a Member may request that he or she be transferred to another Planned Community with his or her entire marketing organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made by 5:00 p.m., Pacific Time, on or before the third business day following the date of the application. The request must be submitted to SSF/DH on the 72-Hour Correction Request Form, available from Member Services. The Member requesting the change has the burden of proving that he or she was placed beneath the wrong sponsor. It is up to SSF/DH's discretion whether the requested change will be implemented.

3.5.2 – Cancellation and Re-Application

A Member may Cancel or Terminate their Membership, however, he or she may not re-enroll as a New Member for 90 days after SSF/DH has acknowledged their Termination. If the Member re-enrolls the original Member's Planned Community will remain in their original line of Placement and Sponsorship.

3.5.3 - Waiver of Claims for Unauthorized Organization Changes

In cases wherein the appropriate sponsorship change procedures have not been followed, and a Planned Community has been developed in the second business developed by a Member,

SSF/DH reserves the sole and exclusive right to determine the final disposition of the Planned Community. Resolving conflicts over the proper placement of a Planned Community that has developed under an organization that has improperly switched sponsors is often extremely difficult.

THEREFORE, MEMBERS WAIVE ANY AND ALL CLAIMS AGAINST SSF/DH, ITS OFFICERS, DIRECTORS, MEMBERS, AGENTS AND EMPLOYEES THAT RELATE TO OR ARISE FROM SSF/DH'S DECISION REGARDING THE DISPOSITION OF ANY PLANNED COMMUNITY THAT DEVELOPS BELOW ANOTHER PLANNED COMMUNITY THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.

3.6 - Unauthorized Claims and Action

3.6.1 - Indemnification

A Member is fully responsible for all of his or her verbal and written statements made regarding SSF/DH products, services, and the Marketing and Thank You Reward Program which are not expressly contained in official SSF/DH materials. Members agree to indemnify SSF/DH and SSF/DH's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by SSF/DH as a result of the Member's unauthorized representations or actions. This provision remains in effect even after termination of the Membership Agreement

3.6.2 - Product Claims

No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by SSF/DH may be made publically except those contained in official SSF/DH literature. In particular, no Member may make any claim that SSF/DH products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate SSF/DH policies, but they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

3.6.3 - Income Claims

In their enthusiasm to enroll prospective Members, some Members are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Members may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At SSF/DH, we firmly believe that the SSF/DH income potential is great enough to be highly attractive, without reporting the earnings of others.

Moreover, the Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Members may believe it beneficial to provide copies of

checks, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact SSF/DH as well as the Member making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because SSF/DH Members do not have the data necessary to comply with the legal requirements for making income claims, a Member, when presenting or discussing the SSF/DH opportunity or Marketing and Thank You Reward Program to a prospective Member, may not make income projections, income claims, or disclose his or her SSF/DH income (including the showing of checks, copies of checks, bank statements, or tax records).

3.7 - Commercial Outlets

There is no circumstance a Members may sell SSF/DH products from a commercial outlet or a service establishment. Members may display products; however, at no time may they deliver products or sell products directly to another Member. SSF/DH products and services are only available to SSF/DH Association Members shipped or delivered from SSF/DH.

3.8 - Trade Shows, Expositions and Other Sales Forums

Members may display and/or sell SSF/DH Memberships at trade shows and professional expositions. Before submitting a deposit to the event promoter, Members must contact the Membership Services department in writing for conditional approval, as SSF/DH's policy is to authorize only one SSF/DH business per event. Final approval will be granted to the first Member who submits an official advertisement of the event, a copy of the contract signed by both the Member and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Member Services Department. SSF/DH further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the DH opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image SSF/DH wishes to portray.

3.9 - Conflicts of Interest

3.9.1 – Non-Solicitation

SSF/DH Memberships are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"). However, during the term of this Agreement, Memberships may not directly or indirectly recruit other SSF/DH Members for any other network marketing business.

Following the cancellation of a Member's Independent Membership Agreement, and for a period of six calendar months thereafter, with the exception of those Members who are personally sponsored by the former Member, a former Membership may not recruit any SSF/DH

Member for another network marketing business. Members and the Association recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Members and SSF/DH agree that this non-solicitation provision shall apply to all markets in which SSF/DH conducts business.

The term "Recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Member to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

3.9.2 - Sale of Competing Goods or Services

Members must not sell, or attempt to sell, any competing non-SSF/DH programs, products or services to SSF/DH Members. Any program, product or services in the same generic categories as SSF/DH products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

3.9.3 - Member Participation in Other Direct Selling Programs

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

- Members shall not display SSF/DH promotional material, sales aids, products or services with or in the same location as, any non-SSF/DH promotional material or sales aids, products or services.
- Members shall not offer the SSF/DH opportunity, products or services to prospective or existing Customers or members in conjunction with any non-SSF/DH program, opportunity, product or service.
- Members may not offer any non-SSF/DH opportunity, products, services or opportunity at any SSF/DH related meeting, seminar or convention, or within two hours and a five mile radius of the SSF/DH event. If the SSF/DH meeting is held telephonically or on the internet, any non-SSF/DH meeting must be at least two hours before or after the SSF/DH meeting.
- SSF/DH Members understand that SSF/DH Association decisions will be made by a majority and no one member or manager can make policy decisions or approval. Members will not solicit one or more association officers or managers for special favors or exceptions.

3.9.4 - Planned Community Activity (Genealogy) Reports

SSF/DH may, in its discretion, provide Members with a Planned Community genealogy report in conjunction with a Member's replicated website. Access to a genealogy report is a privilege, and not a right. SSF/DH reserves the right to deny Members' access to a genealogy report at its sole discretion.

All Planned Community Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to SSF/DH. Planned Community Activity Reports are provided to Members in strictest confidence and are made available to Members for the sole purpose of assisting Members in working with their respective Planned Community Organizations in the development of their SSF/DH business. Members should use their Planned Community Activity Reports to assist, motivate, and train their Planned Community Members. The Member and SSF/DH agree that, but for this agreement of confidentiality and nondisclosure, SSF/DH would not provide Planned Community Activity Reports to the Member. Therefore, if a Planned Community Activity Report is provided to a Member, the Member shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Planned Community Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Planned Community Activity Report;
- Use the information to compete with SSF/DH or for any purpose other than promoting his or her SSF/DH business;
- Recruit or solicit any Member of SSF/ listed on any report, or in any manner attempt to influence or induce any Member of SSF/DH, to alter their business relationship with SSF/DH;
- Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Planned Community Activity Report; or
- Upon demand by the Association, any current or former Member will return the original and all copies of Planned Community Activity Reports to the Association.

3.10 - Targeting Other Direct Sellers

SSF/DH does not condone Members specifically or consciously targeting the sales force of another direct sales Association in order to recruit them to become Members of SSF/DH, nor does SSF/DH condone Members solicitation or enticement of members of the sales force of another direct sales Association in such a way that violates the terms of their contract with such other Association. Should a Member engage in such activity, they bear the risk of being sued by the other direct sales

Association. If any lawsuit, arbitration or mediation is brought against a Member alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, SSF/DH will not pay any of Member's defense costs or legal fees, nor will SSF/DH indemnify the Member for any judgment, award, or settlement.

3.11 - Cross-Sponsoring

"Cross sponsoring" is defined as the enrollment of an individual into another Member's Planned Community. Members shall not demean, discredit or defame other SSF/DH Members in an attempt to entice another Member to become part of the first Member's marketing organization. This policy shall not prohibit the Assignment of a SSF/DH business in accordance with Section 3.5.

3.12 - Errors or Questions

If a Member has questions about or believes any errors have been made regarding commissions, bonuses, Planned Community Activity Reports, or charges, the Member must notify SSF/DH in writing within 60 days of the date of the purported error or incident in question. SSF/DH will not be responsible for any errors, omissions or problems not reported to the Association within 60 days.

3.13 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Members shall not represent or imply that SSF/DH or its Marketing and Thank You Reward Program have been "approved," "endorsed" or otherwise sanctioned by any government agency.

3.14 - Holding Applications or Orders

Members must not manipulate enrollments of new applicants and purchases of products. All Membership Applications and Agreements, and product orders must be sent to SSF/DH within 72 hours from the time they are signed by a Member, respectively.

3.15 - Identification

All Members are required to provide their Social Security Number, or a Federal Employer Identification Number to SSF/DH on the Membership Application and Agreement. Upon enrollment, the Association will provide a unique Membership Identification Number to the Member by which he or she will be identified. This number will be used to place orders, and track commissions and bonuses.

3.16 - Income Taxes

Each Member is responsible for paying local, state, and federal taxes on any income generated as an Independent Membership. If a SSF/DH business is tax exempt, the Federal tax identification number must be provided to SSF/DH. Every year, SSF/DH will provide an IRS Form 1099 MISC (Nonemployee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 in the

previous calendar year; or 2) Made purchases during the previous calendar year in excess of \$5,000. SSF/DH reserves the right to make appropriate withholdings from any Member's income if they provide an inaccurate social security number or Federal Tax Identification number.

3.16.1 - Non-U.S. Citizens Memberships

If a Member is not a United States citizen, the Member must submit a form W8-BIN. Otherwise SSF/DH will withhold the minimum amount allowed under the Internal Revenue Code or IRS Regulations.

3.17 - Independent Contractor Status

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

3.18 - Insurance

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

3.19 - International Marketing

SSF/DH has published or will publish a policy manual for each country in which it conducts or will conduct business. Members operating outside of the United States must comply with the policies of each country in which they operate. Copies of the international policy manuals are or will be available from Customer Services.

3.20 - Inventory Loading

Members must not influence or attempt to influence any other Members to buy more products than they can reasonably use.

3.21 - Adherence to Laws and Ordinances

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

3.22 - Minors

A person who is recognized as a minor in his/her state of residence may be a SSF/DH Member with the signature of their legal guardian.

3.23 - Multiple Memberships

There is only one Membership permitted for each tax ID.

3.24 - Actions of Household Members or Affiliated Individuals

If any member of a Member's immediate household engages in any activity which, if performed by the Member, would violate any provision of the Agreement, such activity will be deemed a violation by the Member and SSF/DH may take disciplinary action pursuant to the Statement of Policies against the Member. Similarly, if any individual Member as a corporation, partnership, trust or other business entity (collectively "affiliated individual") violates the Agreement, such action(s) will be deemed a violation by the business entity, and SSF/DH may take disciplinary action against the entity. Likewise, if a Member enrolls in SSF/DH as a business entity, each shareholder, officer, member, partner, or other individual or entity with an ownership interest or management responsibility in the independent business shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement, and SSF/DH may take disciplinary action jointly and severally against each such individual with an ownership interest.

3.25 - Requests for Records

Any request from a Member for copies of invoices, applications, Planned Community activity reports, or other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

3.26 – Sale, Transfer, Assignment or Alteration of Ownership Interest of a SSF/DH Business

Although a DH business is a privately owned, independently operated business, the sale, transfer, assignment, or alteration of ownership interest (e.g. adding a partner) of a SSF/DH business is subject to certain limitations. If a Member wishes to re-assign his or her SSF/DH business, the following criteria must be met:

- Protection of the existing line of sponsorship must always be maintained so that the SSF/DH business continues to be operated in that line of sponsorship.
- The transferee must become a qualified SSF/DH Member. If the transferee is an active SSF/DH Member, he or she must verify they will be able to support the new Membership Position.
- Before the transfer or assignment can be finalized and approved by SSF/DH, any debt obligations the transferring Member has with SSF/DH must be satisfied.

- The transferring Member must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to transfer or assign a SSF/DH business.
- While SSF/DH will not withhold approval of a transfer unreasonably, SSF/DH reserves the right to prevent such a transfer if the transfer imperils SSF/DH. If such a transfer is denied, SSF/DH may negotiate the transfer of the Membership position back to DH itself.

Prior to Re-Assigning a SSF/DH business, the Re-Assigning Membership must notify SSF/DH's Membership Services Department of his or her intent to transfer the SSF/DH business. No changes in line of sponsorship can result from the Re-Assignment of a SSF/DH business.

3.27 - Separation of a DH Business

SSF/DH Members sometimes operate their SSF/DH businesses as husband/wife partnerships (although each individually are members, one may be a Lifetime/Marketing Member and one an Appreciation Member), regular partnerships, corporations, or trusts. At such a time as a marriage may end in divorce or a corporation, partnership or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Members and the Association in a timely fashion, SSF/DH will involuntarily terminate the Membership Agreement.

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

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

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

In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Association, the Membership Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in the original SSF/DH business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing. In either case however, the former spouse or business affiliate shall have no rights to any Members in their former Planned Community. They must develop the new business in the same manner as would any other new Member.

3.28 - Sponsoring

All active (Qualified) Wholesale Members in good standing have the right to sponsor and enroll others into SSF/. Each prospective Member has the ultimate right to choose his or her own Sponsor. If two Members claim to be the Sponsor of the same new Member, the Association shall regard the first application received by the Association as controlling.

3.29 - Succession

Upon the death or incapacitation of a Member, his or her business may be passed on to his or her heirs. Appropriate legal documentation must be submitted to the Association to ensure the Re-Assignment is proper. Accordingly, a Member should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a SSF/DH business is Re-Assigned by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Member's marketing organization provided the following qualifications are met. The successor(s) must:

- Execute a Membership Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased Member's status;
- Bonus and commission checks of a SSF/DH business Re-Assigned pursuant to this section will be paid in a single check jointly to the devisees. The devisees must provide SSF/DH with an "address of record" to which all bonus and commission checks will be sent;
- If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer identification number. SSF/DH will issue all bonus and commission checks and one 1099 to the business entity.

3.29.1 - Transfer Upon Death of an Membership

To effect a testamentary Re-Assignment of a SSF/DH business, the executor of the estate must provide the following to SSF/DH: (1) an original death certificate; (2) certified letters testamentary or a letter of administration appointing an executor; (3) instructions from the

authorized executor to SSF/DH specifying to whom the business and income should be transferred; and (4) a completed Membership Agreement executed by the beneficiary.

3.29.2 - Transfer Upon Incapacitation of a Member

To effectuate a transfer of a SSF/DH business because of incapacity, the successor must provide the following to SSF/DH: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the SSF/DH business; and (3) a completed Membership Agreement executed by the trustee.

3.30 - Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although SSF/DH does not consider Members to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation). Therefore, Members must not engage in telemarketing in the operation of their SSF/DH businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a SSF/DH product or service, or to recruit them for the SSF/DH opportunity. "Cold calls" made to prospective Members that promote either SSF/DH's products or services or the SSF/DH opportunity constitute telemarketing and are prohibited. However, telephone call(s) placed to a prospective Member (a "prospect") is permissible under the following situations:

- If the Member has an established business relationship with the prospect. An "established business relationship" is a relationship between a Member and a prospect based on the prospect's purchase, rental, or lease of goods or services from the Member, or a financial transaction between the prospect and the Member, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.
- The prospect's personal inquiry or application regarding a product or service offered by the Member, within the three (3) months immediately preceding the date of such a call.
- If the Member receives written and signed permission from the prospect authorizing the Member to call. The authorization must specify the telephone number(s) which the Membership is authorized to call.
- You may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you engage in "card collecting" with everyone

you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice.

- In addition, Members shall not use automatic telephone dialing systems relative to the operation of their SSF/DH businesses. The term “automatic telephone dialing system” means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.

SECTION 4 - RESPONSIBILITIES OF Marketing Members and Appreciation Members

4.1 - Change of Address, Telephone, and Email Addresses

To ensure timely delivery of products, support materials, and commission checks, it is critically important that the SSF/DH’s files are current. Street addresses are required for shipping since UPS cannot deliver to a post office box. Members planning to change their e-mail address or move must send their new address and telephone numbers to SSF/DH’s Corporate Offices to the attention of the Membership Services Department. To guarantee proper delivery, two weeks advance notice must be provided to SSF/DH on all changes.

4.2 - Continuing Development Obligations

4.2.1 - Ongoing Training Regardless of their Level of Achievement

Members have an ongoing obligation to continue to personally attend trainings or seminars held by SSF/DH in order to increase their product knowledge and gain new business acumen in order to enhance their DH business.

4.2.2 - Increased Training Responsibilities

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

4.2.3 -Ongoing Planned Community Responsibilities

Regardless of their level of achievement, Members have an ongoing obligation to continue to personally promote SSF/DH through the generation of new Members and through servicing their existing Planned Community.

4.3 – Non-Disparagement

DH wants to provide its independent Members with the best products, Thank You Reward Program, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Membership Services Department.

Remember, to best serve you, we must hear from you! While SSF/DH welcomes constructive input, negative comments and remarks made in the field by Members about the Association, its products, or Thank You Reward Program serve no purpose other than to sour the enthusiasm of other SSF/DH Members. For this reason, and to set the proper example for their Planned Community, Members must not disparage, demean, or make negative remarks about SSF/DH, other SSF/DH Members, SSF/DH's products, the Marketing and Thank You Reward Program, or SSF/DH's directors, officers, or employees.

4.4 - Providing Documentation to Applicants

Members must provide or direct to the most current version of the Policies and Procedures and the Thank You Reward Program, to individuals whom they are sponsoring to become Members before the applicant signs a Membership Agreement. Additional copies of the Policies and Procedures can be downloaded from SSF/DH's website.

4.5 - Reporting Policy Violations

Members observing a Policy violation by another Member should submit a written report of the violation directly to the attention of the SSF/DH Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

SECTION 5 – THANK YOU REWARD PROGRAM

5.1 – 5Q Program

The SSF/DH Marketing and Thank You Reward Program is based on the use of SSF/DH products and services and sharing your experiences with others. The 5Q Program is designed to allow Members who have qualified for the 5Q Club to receive a 24BRAIN Kit and their monthly purchase volume by signing up 5 Members within a calendar month. To qualify for the 5Q Club a Member has 60 days from the date of enrollment in SSF/DH to Sponsor 5 new Marketing Members. Thereafter, in each calendar month that a Member of the 5Q Club Sponsors 5 new Marketing Members they will automatically receive a 24BRAIN™ kit the following month and be qualified for their personal purchasing volume.

5.2 - No Territory Restrictions

There are no exclusive territories granted to anyone. No franchise fees are required.

SECTION 6 – THANK YOU REWARD PROGRAM

6.1 - Bonus and Commission Qualifications

A Member must be active and in compliance with the Agreement to qualify for the Thank You Reward Program. So long as a Member complies with the terms of the Agreement, SSF/DH shall pay commissions to such Member in accordance with the Marketing and Thank You Reward Program. The minimum amount for which SSF/DH will issue a check is \$10.00. If a Member's bonuses and commissions do not equal or exceed \$10.00, the Association will accrue the commissions and bonuses until they total \$10.00. A check will be issued once \$10.00 has been accrued.

If a Member fails to cash any commission, bonus, or other check from SSF/DH for a period of 180 days or more from the date of issue, SSF/DH, at its sole discretion, may void the check and in such event, a service fee will be applied of \$15.00 per month until the amount owed has been reduced to \$0.00. A Member may contact SSF/DH at any time to have the balance due to them paid immediately, subject to the limitations set forth in this Section 6.1. Likewise, if a Member fails to provide correct banking or address information required by SSF/DH to pay any commission, bonus, or other payment, for a period of 180 days or more from the date such payment is originally payable, SSF/DH, at its sole discretion, may immediately begin to charge the Member's account a service fee of \$15.00 per month until the amount due the Member has been reduced to \$0.00.

6.2 - Adjustment to Bonuses and Commissions

6.2.1 - Adjustments for Returned Products

Members receive bonuses and commissions based on the actual sales of products and services from their Planned Community. When a product is returned to SSF/DH for a refund or is repurchased by the Association, the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered from the up-line Members who received bonuses and commissions on the sales of the refunded products.

6.3 - Reports

All information provided by SSF/DH in online or telephonic Planned Community activity reports, including but not limited to Personal Commissionable Volume (or any part thereof) and Planned Community sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by SSF/DH or any persons creating or transmitting the information.

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

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, SSF/DH AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY DISTRIBUTOR OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND GROUP SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO: LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF SSF/DH OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

TO THE FULLEST EXTENT PERMITTED BY LAW, SSF/DH OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of SSF/DH's online and telephone reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is". If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to SSF/DH's online and telephone reporting services and your reliance upon the information.

SECTION 7 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

7.1 - Product Guarantee

SSF/DH offers a 30-day money back satisfaction guarantee (less shipping charges and fees) to all Members. If for any reason a Member is dissatisfied with any SSF/DH product, he or she may return the unused portion of the product to SSF/DH for a full refund (less shipping charges) within 30 days from the date of purchase. Following this 30 day period, returned items must be in resalable (see definition of "Resalable" in Section 11) condition and will be subject to an additional 10% restocking fee. This product satisfaction guarantee applies only to SSF/DH products and does not apply to starter kits or sales aids purchased by Memberships.

Starter Kits and sales aids are subject to the refund provisions in Section 7.4, below. If a Member returns \$300.00 or more of merchandise for a refund in any 12 consecutive month period (excluding damaged merchandise, which will be replaced), the return(s) constitute an inventory repurchase and SSF/DH will repurchase the goods pursuant to the terms of Section 7.4. and cancel the Membership Agreement.

7.2 - Return of Inventory and Sales Aids by Members upon Cancellation

Upon cancellation of a Member's Agreement, the Member may return his or her Starter Kit and any products and sales aids held in his or her inventory for a refund. Members may only return Starter

Kits, products and sales aids that he or she personally purchased from SSF/DH (purchases from other Members are not subject to refund) and which are in resalable (see Definition of “Resalable” in Section 11) condition and which have been purchased within one year prior to the date of cancellation. Upon receipt of a resalable Starter Kit and/or resalable products and sales aids, the Member will be reimbursed 90% of the net cost of the original purchase price(s). Shipping charges incurred by a Member when the Starter Kit, products or sales aids were purchased will not be refunded. The refund will be paid according to the method chosen by SSF/DH. If a Member was paid a commission based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the commission that was paid based on that product purchase will be deducted from the amount of the refund.

7.2.1 - Montana Residents

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

7.2.2 – Saskatchewan Residents

As a Saskatchewan resident, you may cancel this contract from the day you enter the contract until 10 days after you receive a copy of this statement of cancellation rights. You do not need a reason to cancel. If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel this contract within one year of the contract date. You lose that right if you accept delivery after 30 days. There are other grounds for extended cancellation. For more information, you may contact your provincial/territorial consumer affairs office. If you cancel this contract, the seller has 15 days to refund your money and any trade-in, or the cash value of the trade-in. You must then return the goods. To cancel, you must give notice of cancellation at SuperSMARTFoods/directionH™, 560 NE F Street #A-449, Grants Pass, OR 97526 or fax it to (888) 248-0922. You must give notice of cancellation by a method that will allow you to prove that you gave notice, including registered mail, fax, or by personal delivery.

7.3 - Procedures for All Returns

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

- All merchandise must be returned by the Member who purchased it directly from SSF/DH.
- All products to be returned must have a Return Authorization Number which is obtained by calling the Membership Services Department. This Return Authorization Number must be written on each carton returned.
- The return is accompanied by:
 - A completed and signed Return Form;
 - A copy of the original dated sales receipt; and

- The unused portion of the product in its original container.
- Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. All returns must be shipped to SSF/DH shipping pre-paid. SSF/DH does not accept shipping-collect packages. The risk of loss in shipping for returned product belongs to the Member, and in the case of non-delivery, it is the responsibility of the Member to trace the shipment.

7.4 Terms of Sale for an *order in continuity* as known as an Auto-Order or Auto-Ship Order

A Member who places an *order in continuity* aka Auto-Ship order understands that they have voluntarily selected to receive an automatic shipment of an order that they have chosen, on the same day or the next business day following the same day, every month until the *order in continuity* is modified or cancelled by the Member in their back office, the company is notified by either emailing: memberservices@directionh.org, or calling Member Services at (916) 412-2372 and requesting the change.

SECTION 8 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

8.1 - Disciplinary Sanctions

Violation of the Agreement, the Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Member that, in the sole discretion of the Association may damage its reputation or goodwill (such damaging act or omission need not be related to the Member's SSF/DH business), may result, at SSF/DH's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Member to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- SSF/DH may withhold from a Member all or part of the Member's bonuses and commissions during the period that SSF/DH is investigating any conduct allegedly in violation of the Agreement. If a Member's business is canceled for disciplinary reasons, the Member will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Membership Agreement for one or more pay periods;
- Involuntary termination of the offender's Membership Agreement;

- Suspension and/or termination of the offending Member's SSF/DH website or website access;
- Any other measure expressly allowed within any provision of the Agreement of which SSF/DH deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Member's policy violation or contractual breach;
- In situations deemed appropriate by SSF/DH, the Association may institute legal proceedings for monetary and/or equitable relief. In exercising the discretion granted to SSF/DH pursuant to this section to protect its reputation or goodwill, to the extent a Member is engaged in conduct or activities which are, in SSF/DH's sole judgment, detrimental to SSF/DH or its business, SSF/DH reserves the right to require that such Member undertake or refrain from undertaking such actions as SSF/DH may require to safeguard the Association's reputation and/or goodwill. Activities that could, on occasion, be deemed detrimental may include activities of the Member unrelated to his or her SSF/DH business, including activities undertaken with other network marketing and similar companies. Although Members are not required to forgo association with such companies, Members must agree to abide by the requirements requested by SSF/DH to mitigate or avoid harm to the Association and its business. Any requirements imposed under this paragraph will be established on a case by case basis and at SSF/DH's sole discretion. The Member will be given 30 calendar days to comply with SSF/DH's request(s). Should the Member fail to comply with such requests, that Member's account may be suspended or terminated.

8.2 - Grievances and Complaints

When a Member has a grievance or complaint with another Member regarding any practice or conduct in relationship to their respective SSF/DH businesses, the complaining Member should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's up-line sponsor. If the matter involves interpretation or violation of Association policy, it must be reported in writing to the Membership Services Department of the Association. The Ethics Committee of the Association will review the facts and attempt to resolve it.

8.3 – Conflict Resolution

The parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through mediation with the Ethics Committee of the Association.

8.4 - Arbitration

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Members waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in Grants Pass, OR. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one

arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel which the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. 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 competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement. Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent SSF/DH from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect SSF/DH's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

8.5 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Grants Pass, State of Oregon. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Oregon shall govern all other matters relating to or arising from the Agreement. Notwithstanding the foregoing, and the arbitration provision in Section 8.4 residents of the State of Louisiana shall be entitled to bring an action against SSF/DH in their home forum and pursuant to Louisiana law.

SECTION 9 - PAYMENT AND SHIPPING

9.1 - Returned Checks

All checks returned by a Member's bank for insufficient funds will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the Member. After receiving a returned check from a Member, all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to SSF/DH by a Member for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.

9.2 - Restriction on Third Party Use of Credit Cards and Checking Account Access.

Members shall not permit other Members to use his or her credit card, or permit debits to their checking accounts, to enroll or to make purchases from the Association, without written permission submitted to the Association. If credit card abuse or credit card charge backs occur, the Membership Agreement may be immediately cancelled.

SECTION 10 - INACTIVITY AND CANCELLATION

10.1 - Effect of Cancellation

So long as a Member remains active and complies with the terms of the Membership Agreement and these Policies and Procedures, SSF/DH shall pay commissions to such Member in accordance

with the Marketing and Thank You Reward Program. A Member's bonuses and commissions constitute the entire consideration for the Member's efforts in generating new Members and all activities related to generating Members (including building a Planned Community organization). Following a Member's nonrenewal of his or her Membership Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Membership Agreement (all of these methods are collectively referred to as "cancellation"), the former Member shall have no right, title, claim or interest to the Planned Community organization which he or she operated, or any commission or bonus from the sales generated by the community.

A Member whose business is cancelled will lose all rights as a Member. This includes the right to promote products and services and the right to receive future commissions, bonuses, or other income resulting from the activities of the Member's former Planned Community. In the event of cancellation, Members agree to waive all rights they may have, including but not limited to property rights, to their former Planned Community organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former Planned Community organization.

Following a Member's cancellation of his or her Membership Agreement, the former Member shall not hold himself or herself out as a SSF/DH Member and shall not have the right to promote SSF/DH products or services. A Member whose Membership Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

10.2 - Involuntary Cancellation

A Member's violation of any of the terms of the Agreement, including any amendments that may be made by SSF/DH in its sole discretion, may result in any of the sanctions listed in Section 8.1, including the cancellation of his or her Membership Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed, or delivered to an express courier, to the Member's last known address (or fax number), or to his/her attorney, or when the Member receives actual notice of cancellation, whichever occurs first.

10.3 - Voluntary Cancellation

A participant in the Thank You Reward Program has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Association at its principal business address. The written notice must include the Member's signature, printed name, address, and Member I.D. Number.

10.4- Non-renewal

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

SECTION 11 - DEFINITIONS

Active Member — A Member who satisfies the minimum Personal Commissionable Volume Requirements, as set forth in the Thank You Reward Program, to ensure that he or she is eligible to receive bonuses and commissions.

Active Rank — The term “active rank” refers to the current rank of a Member, as determined by the SSF/DH Plan, for any month. To be considered “active” relative to a particular rank, a Member must meet the criteria set forth in the Thank You Reward Program for his or her respective rank.

Agreement — The contract between the Association and each Member includes the Membership Application and Agreement, the SSF/DH Policies and Procedures, the SSF/DH Marketing and Thank You Reward Program, and the Business Entity Application and Agreement (where appropriate), all in their current form and as amended by SSF/DH in its sole discretion. These documents are collectively referred to as the “Agreement.”

Appreciation Member — An individual or entity that purchases SSF/DH products or services, but who is not a Lifetime or Marketing Member.

- All Appreciation Members have a yearly enrollment of \$10
- Eligible to Purchase Products Only
- An Opportunity to Enhance their Personal Health Direction

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

Level — The layers of Planned Community Appreciation Members in a particular Member’s Planned Community Organization. This term refers to the relationship of a Member relative to a particular up-line Member, determined by the number of Members between them who are related by sponsorship. For example, if A, sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A’s fourth level.

Lifetime Member — An individual or entity that purchases SSF/DH products or services, and wishes to share SSF/DH with others.

- Eligible for Compensation Benefits in the Thank You Reward Program
- Receive Introductory Product Package
- Lifetime Members have no yearly enrollment fee
- Eligible for participation in Association’s Bonus Pools
- Eligible for Leadership pricing on all products and services
- Eligible for Leadership pricing to attend events
- Eligible for Leadership seating preference at events
- Eligible for Universal Positions of Leadership
- An Opportunity to Enhance their Personal Health Direction and the Health of Humankind...

Marketing Member — An individual or entity that purchases SSF/DH products or services, and wishes to share SSF/DH with others.

- Eligible for Compensation Benefits in the Thank You Reward Program
- An Opportunity to Enhance their Personal Health Direction and the Health of Humankind...

Official SSF/DH Material — Literature, audio or video tapes, and other materials developed, printed, published and distributed by SSF/DH or its authorized re-sellers to Members.

Personal Commissionable Volume (PSV) — The commissionable value of products sold in a calendar month: (1) by the Association to a Member; and (2) by the Association to the Member's personally enrolled Members.

Planned Community Activity Report — A report generated by SSF/DH, and available on a Member's replicated website, that provides critical data relating to the identities of Members, Thank You Reward Program information, and enrollment activity of each Member's Planned Community Organization. This report contains confidential and trade secret information which is proprietary to SSF/DH.

Rank — The "title" that a Member has achieved pursuant to the SSF/DH Marketing and Thank You Reward Program.

Recruit — For purposes of SSF/DH's Conflict of Interest Policy (Section 3.10), the term "Recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another SSF/DH Member to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

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

Sponsor — A Member who enrolls another Member into the Association, and is listed as the Sponsor on the Membership Application and Agreement. The act of enrolling others and training them to become Members is called "sponsoring."

Up-line — This term refers to the Member or Members above a particular Member in a sponsorship line up to the Association. Conversely stated, it is the line of sponsors that links any particular Member to the Association.