

ARIIX, LLC

STATEMENT OF POLICIES
and
PROCEDURES

Effective July 4, 2011

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ARIIX STATEMENT OF FAIRNESS

We care about you, and we care about your business. In fact, the major reason why ARIIX was created was to change, for the better, how Representatives within the Direct Sales Industry are treated.

You may have found ARIIX for better health, financial independence or personal development, or you are graciously willing to give a company within the Direct Sales Industry, a second chance.

It is our commitment to help you help others. Based on that commitment, ask yourself -- why do we care about you? There are two reasons:

First, it is simply the right thing to do. Now, more than ever, it is absolutely essential for all businesses to do the right thing – to operate in total compliance with all applicable laws and regulations and to pursue the absolute highest and best practices in all areas. Any other approach is shortsighted and will be short-lived.

Second, if we fail to treat you morally, ethically and fairly . . . we will lose you and everyone else. *You and your customers are the most important pieces of our business.* Without you, we don't have a business!

So, we are putting a stake in the ground. We have based our approach on **Four Principles** and based on those, we are putting your rights and privileges as a Member of ARIIX in writing!

1. Fairness. In order to enjoy a life-long relationship with you, we understand that we absolutely, positively must treat you and all other Members and Representatives fairly.

2. Respect. Fairness swings on the hinges of respect. If one lacks respect for another, the likelihood of fair and noble treatment is unlikely. We believe that fairness and respect go hand-in-hand and we're building on that belief.

3. Ownership. A distributorship is your business. You own it. You can sell it or you can pass it on to someone in your will. We believe that your ownership must be free from the fear of arbitrary termination.

4. Protection. These Policies and Procedures, as well as the Member or Representative Agreement, exist to protect everyone who is involved with ARIIX. This includes retail customers, preferred customers, Members, Representatives and the Company. There are many things that can hurt our businesses, such as regulatory issues, legal issues, or business issues. Examples of these include improper income claims or product claims, cross-line recruiting or improper proselytizing to another direct selling opportunity. We need to set forth clear guidance and expectations with respect to what is proper and what is improper.

It is important to understand that our Policies and Procedures are never “final.” We need to be able to address changes in the law or changes in business as they occur. Consequently, the Policies and

Procedures are a “living document” that will change from time to time.

With all that said, we want you to know that we are honored to be in business with you. We value you so much that we are willing to put our promises and commitments to you in writing.

Don't take our word for it. We challenge you to read ANY policies and procedures within the Direct Sales Industry to compare your rights, privileges and protections to what you'll get at ARIIX. And may this document be a catalyst for improving the rights of Representatives everywhere.

SECTION 1 - CORPORATE MISSION/VISION STATEMENT

ARIIX Corporate Vision Statement:

To unleash the human potential for good

ARIIX Corporate Mission Statement:

We help you...to help others

WE ACHIEVE THIS BY:

1. Offering the highest quality, science-driven products and services for total health
2. Providing a solid opportunity for real financial independence
3. Focusing on what works for our Representatives
4. Giving back on a local and global scale

PART A – FOR MEMBERS AND REPRESENTATIVES

SECTION 2 - INTRODUCTION

2.1 - Purpose of the Member Agreement, Representative Agreement and the Policies and Procedures

The purposes of the Member Agreement, Representative Agreement and the Policies and Procedures are:

- To assist Members and Representatives in building and protecting their businesses;
- To protect ARIIX, its Members and its Representatives from regulatory risks;
- To establish standards of acceptable behavior;
- To set forth the rights, privileges and obligations of ARIIX, its Members and its Representatives; and
- To define the relationship between ARIIX, its Members and its Representatives.

2.2 - Policies and Compensation Plan Incorporated into the Member Agreement and Representative Agreement

These Policies and Procedures, in their present form and as amended at the discretion of ARIIX, LLC (hereafter “ARIIX” or the “Company”), with input and consideration from ARIIX’s Founder's Club Members, and Partners Council, are incorporated into, and form an integral part of, the ARIIX Member Agreement and the ARIIX Representative Agreement. It is the responsibility of each Member and Representative (both Members and Representatives will be collectively referred to herein as “Rep” or “Reps”) to read, understand, adhere to, and insure that he or she is aware of and operating under the most current version of these Policies and Procedures. Through-

out these Policies, when the term “Agreement” is used, it collectively refers to the ARIIX Member Application and Agreement or the ARIIX Representative Application and Agreement (as applicable), these Policies and Procedures, the ARIIX Compensation Plan, and the ARIIX Business Entity Application (if applicable). These documents are incorporated by reference into the ARIIX Member Agreement or the ARIIX Representative Agreement (all in their current form and as amended by ARIIX).

2.3 - Changes to the Agreement

As you know, the realities of business and law sometimes require changes to the ways we operate. Because of this, we may need to make changes to our Agreements or the Policies and Procedures. When we need to do so, we want you to know that ARIIX is committed to providing all of our Members and Reps with the maximum possible notice of any such changes or modifications.

Accordingly, ARIIX reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By executing the Agreement, a Rep agrees to abide by all amendments or modifications that ARIIX elects to make. Amendments shall be effective thirty (30) days after publication of notice that the Agreement has been modified. If we can provide more than thirty (30) days notice, we will certainly do so. Notification of amendments shall be published by one or more of the following methods: (1) posting on the Company’s official web site; (2) electronic mail (e-mail); (3) posting in Reps’ back-offices; (4) inclusion in Company periodicals; (5) inclusion in product orders or bonus checks; or (6) special mailings.

We won’t force you to accept any such changes. We will give you the opportunity to accept or reject them in your back office. However, you need to be aware that if you choose to reject the changes, we reserve the right not to renew your Rep Agreement after the expiration of your current term.

2.4 - 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.

2.5 - Delays

ARIIX shall not be responsible for delays and failures in performing its obligations due to circumstances beyond its reasonable control, such as strikes, labor difficulties, riots, war, fire, death, curtailment or interruption of a source of supply, government decrees or orders, etc.

2.6 - Waiver

The Company 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 ARIIX to exercise any right or power under the Agreement or to insist upon strict compliance by a Rep 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 ARIIX’s right to demand exact compliance with the

Agreement. In the event a policy is waived, such waivers will be conveyed by the Compliance Committee or an officer of the company. The waiver will apply only to that case. The existence of any claim or cause of action of a Rep against ARIIX shall not constitute a defense to ARIIX's enforcement of any term or provision of the Agreement.

SECTION 3 - BECOMING A MEMBER OR A REPRESENTATIVE

3.1 - Requirements to Become a Member or Representative

To become an ARIIX Member, each applicant must:

- Be at least 18 years of age;
- Reside in the United States or U.S. Territories or in a country that ARIIX has officially announced is open for business;
- Purchase an ARIIX Member Business Orientation System (optional in North Dakota, Massachusetts and Wyoming for residents of those states); and
- Submit a properly completed Member Application and Agreement to ARIIX either in hard copy or online format.

To become an ARIIX Representative, each applicant must:

- Be a Member of ARIIX
- Reside in the United States or U.S. Territories or in a country that ARIIX has officially announced is open for business;
- Earn \$25.00 (USD) in Product Credits;
- Provide ARIIX with his/her valid Social Security or Federal Tax ID number (for U.S. residents); a valid ID (for Hong Kong residents); or a Social Insurance Number (for Canadian residents);
- Purchase an ARIIX Representative Business Orientation System (optional in North Dakota, Massachusetts and Wyoming for residents of those states);
- Submit a properly completed Representative Application and Agreement to ARIIX either in hard copy or online format; and
- Submit an IRS form W-9 (applicable only to U.S. residents). If a valid W-9 is not received by the Company within 30 days from the date of the Applicant's enrollment, the enrollment process will not be finalized and the applicant shall not be permitted to become a Rep.

ARIIX reserves the right to accept or reject any Member or Representative Application and Agreement for any reason or for no reason.

3.2 - Business Orientation Systems and Product Purchases

No person is required to purchase ARIIX products, services or sales aids or to pay any charge or fee to become a Member or Rep. However, in order to familiarize new Members and Reps with ARIIX products, services, sales techniques, sales aids and other matters, the Company requires that they purchase a Member Business Orientation System ("BOS") or a Representative Business Orientation System, respectively. ARIIX will repurchase resalable kits from any Member or Rep who terminates his or her Agreement pursuant to the terms of Section 7.4.

3.3 - Identification Number

When ARIIX receives and accepts a Member's original Application and Agreement, for your protection and confidentiality of government-issued numbers, ARIIX will assign a unique number to that Member. Members must use this Number whenever they call an ARIIX Distributor Services Representative or Order Express Representative to place orders and track commissions and bonuses.

3.4 - Temporary Enrollment

After signing the Member Application and Agreement, an applicant may enroll by telephone or over the Internet to receive a temporary Member Number and temporary authorization for a new distributorship while the written application is en route to ARIIX. The applicant must provide ARIIX with all the necessary information to complete the Member Application and Agreement. The applicant may order a BOS at that time using a valid credit card or bank draft. The new Member's temporary number and authorization will be valid for 21 days, pending ARIIX's receipt of the Member's original Application and Agreement or the Member's digital signature on the online Application and Agreement. ARIIX reserves the right to remove a distributorship from its system or stop payment of commissions earned if the Application and Agreement has not been received or digitally signed within the 21-day temporary enrollment time period. Once ARIIX receives the original Member Application and Agreement, ARIIX will assign a permanent Number to the Member and extend the initial distributorship authorization period to one full year.

3.5 - Rep Benefits

Once a Member Application and Agreement and a Rep Application and Agreement have been accepted by ARIIX, the benefits of the Compensation Plan and the Agreement are available to the new Rep. These benefits include the right to:

- Sell ARIIX products and services;
- Purchase ARIIX products and services at the Member price;
- Participate in the ARIIX Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Customers, Members or Reps into the ARIIX business and thereby, build a marketing organization and progress through the ARIIX Compensation Plan;
- Receive periodic ARIIX literature and other ARIIX communications;
- Participate in ARIIX-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 ARIIX for its Reps.

3.6 - Term and Renewal of Your ARIIX Business

The term of the Rep Agreement is one year from the date of its acceptance by ARIIX. Reps must renew their Rep Agreement each year by paying an annual renewal fee of \$20.00 on or before the anniversary date of their Rep Agreement. If the renewal fee is not paid within 30 days af-

ter the expiration of the current term of the Rep Agreement, the Rep Agreement will be cancelled. All Reps are automatically enrolled in the Automatic Renewal Program (“ARP”). At his or her election, a Rep may “opt out” of the ARP. Under the ARP, the renewal fee will be charged to the Rep’s credit/debit card on file with the Company. Reps without a credit/debit card or bank account must renew by phone or mail.

SECTION 4 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

4.1 - Returns by Retail Customers

To provide excellent customer service, ARIIX obligates its Reps to honor the Company’s 100 percent, unconditional, 30-day, money-back guarantee to all retail customers. If for any reason a retail customer is dissatisfied with any ARIIX product, he/she may return the product to the Member/Rep from whom the product was purchased within thirty (30) days from the date of purchase for a replacement, exchange, or full refund of the purchase price. If the retail customer requests a refund, the Rep who sold the product to the retail customer must immediately refund the retail customer’s purchase price. (Retail customers must return merchandise to the Rep who sold it to them; ARIIX will not accept returned merchandise directly from retail customers.) The Rep, in turn, should complete a Dissatisfied Consumer Product Return and forward the form along with the original sales receipt and returned merchandise to ARIIX. ARIIX will then replace the returned merchandise with a similar product and will ship it to the Rep. All retail customers must be provided with two copies of an official ARIIX Retail Sales Receipt at the time of the sale. The back of the receipt provides the customer with written notice of his/her rights to cancel the sales Agreement.

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

4.2 - Returns by Preferred Customers

ARIIX offers Preferred Customers and retail customers who order directly from an official ARIIX Web site, a 100 percent, thirty (30) day, money back guarantee on their initial product order. If, for any reason, a Preferred Customer is dissatisfied with any ARIIX product, he/she may return that product to the Company within thirty (30) days for replacement, exchange, or full refund of the purchase price. If a Preferred Customer returns merchandise equal to or exceeding \$100.00 USD, this will be deemed a 'voluntary cancellation'.

4.3 - Return of Inventory and Sales Aids by Reps Upon Cancellation

To protect taking advantage of commissions paid for product purchases, and subsequent returning of the product, if a Rep returns more than \$100.00 of product for a refund in any 12 consecutive month period, the request will constitute the Rep's voluntary cancellation of his/her Rep Agreement, and the refund will be processed as an inventory repurchase pursuant this Section. Product exchanges in resalable conditions shall NOT constitute voluntary cancellation.

Upon cancellation of a Rep's Agreement, the Rep may return Business Orientation Systems, products and sales aids that he or she personally purchased from ARIIX (purchases from other Reps or third parties are not subject to refund) that are in Resalable (see Definition of "Resalable" below) condition and which have been purchased within one year prior to the date of cancellation. Upon receipt of a Resalable Business Orientation System and/or Resalable products and sales aids, the Rep will be reimbursed 90% of the net cost of the original purchase price(s). Neither shipping and handling charges incurred by a Rep when the Business Orientation System, products or sales aids were purchased, nor return shipping fees, will be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If a Rep 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 would be deducted from the amount of the refund.

Products and Sales aids shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) it is returned to ARIIX 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. Replicated Website fees are not refundable except as required by applicable state law.

4.3.1 - Montana Residents

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

4.4 - Procedures for All Returns

To help you in the process of returns of products and sales aids, we have established the following procedures which apply to all returns for refund, repurchase or exchange:

- All merchandise must be returned by the Rep or customer who purchased it directly from ARIIX.
- All products to be returned must have a Return Authorization Number, which is obtained by calling the Rep Services Department. This Return Authorization Number must be written on each carton returned.
- The return is accompanied by:

- The original packing slip with the completed and signed Consumer Return information;
 - 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 ARIIX with the shipping pre-paid. ARIIX does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the Rep. If any returned product is not received by the Company's Distribution Center, it is the responsibility of the Rep to trace the shipment.
 - If a Rep is returning merchandise to ARIIX that was returned to him or her by a personal retail customer, the product must be received by ARIIX within ten (10) days from the date on which the retail customer returned the merchandise to the Rep, and must be accompanied by the sales receipt the Rep gave to the customer at the time of the sale.

SECTION 5 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

5.1 - Disciplinary Sanctions

We understand that on those rare occasions when Reps make mistakes in the operation of their businesses, most do so innocently out of inadvertence or lack of information. We will be the first to admit that there are some areas of business or law that, at first glance, do not seem to make a lot of sense. Nevertheless, we have a legal responsibility, moral, and ethical responsibility, not only to federal and state governments, but also to our Members and Reps, to insure that they operate every aspect of their businesses in compliance with federal, state, and local laws.

It is critically important to understand that the first priority of compliance is not discipline or correction. The first function of compliance is *education!* We operate from the position that every one of our Members and Reps is honest and ethical – until one gives us reasons to conclude otherwise.

With respect to a violation of the law or breach of the Agreement, our goal is always to try to resolve the problem in an amicable fashion that will serve the best interests of all parties involved. We have found that when such violations or breaches occur, the vast majority of Reps are willing to immediately modify or stop their behavior or behaviors that are the subject of such missteps. However, under certain circumstances, it is not only beneficial but also necessary to impose disciplinary sanctions.

Accordingly, violation of the Agreement, these 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 Rep that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the Rep's ARIIX business), may result, at ARIIX's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Rep 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;
- ARIIX may withhold from a Rep all or part of the Rep's bonuses and commissions during the period that ARIIX is investigating any conduct allegedly in violation of the Agreement. ARIIX understands that this particular sanction could potentially be very harmful to a Rep. Therefore; ARIIX would only exercise this sanction in a situation that presents an immediate risk of harm to another Rep's business. If a Rep's business is cancelled for disciplinary reasons, the Rep will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Rep Agreement for one or more pay periods;
- Suspension and/or termination of the offending Rep's ARIIX website or website access;
- As a last resort, the Company may involuntarily terminate the offender's Rep Agreement (See Section 5.3 for the right to appeal to the Founder's Club.);
- Any other measure expressly allowed within any provision of the Agreement or which ARIIX deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Rep's policy violation or contractual breach;
- In situations deemed appropriate by ARIIX, the Company may institute legal proceedings for monetary and/or equitable relief.

5.2 - Grievances and Complaints

When a Rep has a grievance or complaint with another Rep regarding any practice or conduct in relationship to their respective ARIIX businesses, the complaining Rep 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 upline sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Rep Services Department at the Company. The Rep Services Department will review the facts and attempt to resolve it.

5.3 - Founder's Club Review

We want to provide our Reps with every possible opportunity and advantage to resolve potential issues related to their ARIIX businesses. In the event that the Rep Services Department is unable to resolve a grievance, complaint, or other issue to the satisfaction of the Rep, he or she may pursue one of two options. The first is to file a petition to request a review by the Founder's Club. The second is to pursue mediation and possible litigation. The Rep may elect to pursue either a review by the Founder's Club or mediation/litigation, however, he or she may not pursue both.

In the event a Rep seeks to pursue a resolution by a review of the Founder's Club, he or she must file a petition within thirty (30) days after a final disposition of the matter by the Rep Services Department. The Founder's Club shall convene (in person or telephonically) within sixty (60) days from the date on which the petition is filed. **If a Rep elects to pursue the review of the Founder's Club, any resolution or decision by the Founder's Club shall be final and non-appealable by all Parties. The Parties waive all rights to trial by jury or to any court.**

Should the Rep elect litigation, the Rep shall pay his or her own attorneys fees, costs, and individual expenses associated with attending the Founder’s Club meeting. The meeting shall be held in Bountiful, Utah, and shall last no more than two (2) business days.

5.4 - Mediation

If a Rep elects not to pursue resolution through a Founder’s Club Review, he or she has the right to pursue litigation. However, prior to instituting an action, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediation shall occur within 60 days from the date on which the mediator is appointed. The mediator’s fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorneys fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in the city of Bountiful, Utah, and shall last no more than two business days.

5.5 - Litigation

If mediation is unsuccessful, **any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by litigation.**

5.6 - Governing Law, Jurisdiction and Venue

The exclusive jurisdiction and venue for all disputes, claims, and actions relating to the Rep Agreement or the interpretation thereof, or any dispute, claim, or action between the parties hereto shall be Salt Lake County, the State of Utah or in the United States District Court in and for the District of Utah, unless the laws of the state in which the Rep resides expressly require otherwise. By signing the Rep Application and Agreement, all Reps consent to jurisdiction within these two forums. The laws of the State of Utah shall govern disputes relating to the Rep Agreement.

5.6.1 - Louisiana Residents

Notwithstanding the foregoing, and the arbitration provision in Section 9.4, residents of the State of Louisiana shall be entitled to bring an action against ARIIX in their home forum and pursuant to Louisiana law.

SECTION 6 - PAYMENT AND SHIPPING

6.1 - Returned Checks

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

6.2 - Restrictions on Third Party Use of Credit Cards and Checking Account Access

Reps or Customers are allowed to use another individual's credit card, or permit debits to their checking accounts, to enroll or to make purchases from the Company, PROVIDED they have the express, provable permission of the card or account holder.

6.3 - Sales Taxes

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

SECTION 7 - INACTIVITY AND CANCELLATION

7.1 - Effect of Cancellation

ARIIX shall pay commissions in accordance with the Compensation Plan to every actively complying Rep. A Rep's bonuses and commissions constitute the entire consideration for the Rep's efforts in generating sales and all activities related to generating sales (including building a downline organization).

Should a Rep decide to end their relationship with ARIIX by inactivity, non-renewal, or cancellation, (all of these methods including voluntary cancellation are collectively referred to as "cancellation") of the Agreement, the former Rep shall be choosing to give up his or her right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. **A Rep whose business is cancelled will lose all rights as a Rep. This includes the right to sell ARIIX products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Rep's former downline sales organization. In the event of cancellation, Reps agree to waive all rights they may have, including but not limited to property rights, to their former downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former downline organization.**

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

7.2 - Cancellation Due to Inactivity

If a Rep fails to personally generate at least 75 Personal Product Volume (PPV) for 12 consecutive months, his or her Consultant Agreement shall be cancelled for inactivity. If, however, a Member or Rep has been inactive for six, full consecutive calendar months, he or she may re-

enroll under the Sponsor of his or her choice.

7.3 - Involuntary Cancellation

A Rep's violation of any of the terms of the Agreement, including any amendments that may be made by ARIIX in its sole discretion, may result in any of the sanctions listed in Section 5.1, including the involuntary cancellation of his or her Rep Agreement. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the Rep's last known address, email address, or fax number, or to his/her attorney, or when the Rep receives actual notice of cancellation, whichever occurs first.

We are committed to you and the direct selling distribution channel. Furthermore, ARIIX acknowledges that the relationship with its Members is fundamental to our business model. Hence, under no circumstances will ARIIX terminate Member and Rep Agreements because ARIIX decides to leave the direct selling distribution channel.

7.4 - Voluntary Cancellation

A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the Rep's signature, printed name, address, and Rep I.D. Number.

In addition to written cancellation, Reps who have consented to Electronic Contracting will cancel their Rep Agreement should they withdraw their consent to contract electronically. If a Rep is also on the Auto-Delivery program, the Rep's Auto-Delivery order shall continue unless the Rep also specifically requests that his or her Auto-Delivery Agreement also be cancelled.

7.5 - Non-renewal

A Rep may also voluntarily cancel his or her Rep Agreement by failing to renew the Agreement on its anniversary date.

In the event that a Rep rejects a change or amendment of the Agreement, the Company, in its sole and absolutely discretion, may elect not to renew the Agreement of a particular Rep on the expiration of its current term.

7.6 - Exceptions to Activity Requirements

7.6.1 - Military Deployment.

ARIIX very proudly supports all of its active-duty military personnel. Active-duty military personnel who are Members or Reps shall be exempt from meeting their Personal Product Volume and Group Volume quotas for term of any deployment, temporary duty ("TDY"), permanent change of station ("PCS"), or assignment outside of the United States.

PART B – FOR REPRESENTATIVES

SECTION 8 - OPERATING AN ARIIX BUSINESS

8.1 - Rep-Created Marketing Methods and Tools

ARIIX promises that we will always make our best efforts to develop and produce the most effective sales aids and business tools available. We are absolutely committed to your highest and best success!

Of course, we must always be sensitive to the legal and regulatory requirements on our business. Because of these requirements, it can often be extremely difficult to develop sales aids or business tools that are fully compliant. For these reasons, it is essential that Reps adhere to the terms of the ARIIX Compensation Plan as set forth in official ARIIX literature. Reps may not offer the ARIIX opportunity through, or in combination with, any other system, program, sales tools, or method of marketing other than that specifically set forth in official ARIIX literature. Reps shall not require or encourage other current or prospective Customers, Members or Reps to execute any agreement or contract other than official ARIIX Agreements and contracts in order to become an ARIIX Rep. Similarly, Reps shall not require or encourage other current or prospective Customers, Members, or Reps to make any purchase from, or payment to, any individual or other entity to participate in the ARIIX Compensation Plan other than those purchases or payments identified as recommended or required in official ARIIX literature.

8.2 - Advertising

8.2.1 - General

The Company has carefully designed its products, product labels, Compensation Plan and promotional materials to ensure that they are promoted in fair, truthful manner, which they are substantiated, and the materials comply with the legal requirements of federal and state laws. The Company, and all Members and Reps, must safeguard and promote the great reputation of ARIIX and its products. The marketing and promotion of ARIIX, the ARIIX opportunity, the Compensation Plan, and ARIIX products must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices in their marketing and promotion of ARIIX, the ARIIX opportunity, the Compensation Plan, and ARIIX's products. To promote both the products and services, and the tremendous opportunity ARIIX offers, Members and Reps must use the sales tools and support materials produced or approved by ARIIX.

Only those Reps who have achieved the title of 'Officer' or higher may produce individual sales, marketing, and support materials to market or promote ARIIX, the ARIIX opportunity, the compensation plan, ARIIX's products, or their ARIIX businesses. All other Reps may only use sales aids and support materials produced or currently approved by ARIIX. Sales, marketing, and support materials include, but are not limited to, training and recruiting information, brochures, flyers, pamphlets, posters, postcards, letters, classified advertisements, etc. promoting ARIIX's products and programs, as well as e-mail messages, voice mail message recordings, and Internet Web sites used to publicize ARIIX, its products, services or compensation plan.

Any Rep who has achieved the title of 'Officer' or above who desires to create his/her own sales tools, promotional materials, advertisements or other literature (promotional material) must submit a copy of the proposed materials to ARIIX for review and approval before he/she may use the information to promote his/her business or the ARIIX opportunity. Upon receipt of the proposed promotional material, ARIIX will review the information to determine the appropriateness of the material's form and content. ARIIX's review of the proposed promotional material will be subject to a review fee. ARIIX will promptly notify the Officer or higher-titled Rep regarding the Company's decision to approve or disapprove the material for use in promoting and supporting his/her ARIIX business activities. Officer and higher-titled Rep may only use those materials that ARIIX has expressly approved. Such materials may not be offered for sale at a profit to the Rep. It is the Rep's responsibility to ensure that previously approved promotional material remains current and up-to-date. ARIIX further reserves the right to rescind approval for any promotional materials, and Reps waive all claims for damages or remuneration arising from or relating to such rescission.

In order to maintain maximum fairness and the best possible "level playing field," Reps may not sell sales aids to other ARIIX Reps. Therefore, Reps who receive authorization from ARIIX to produce their own sales aids may not sell such material to any other ARIIX Rep. Reps may make approved material available to other Reps free of charge if they wish, but may not charge other ARIIX Reps for the material.

Upon reasonable notice, ARIIX further reserves the right to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and Reps waive all claims for damages or remuneration arising from or relating to such rescission.

8.2.2 - Trademarks and Copyrights

The name of "ARIIX" and other names as may be adopted by ARIIX are proprietary trade names, trademarks and service marks of ARIIX. As such, these marks are of great value to ARIIX and are supplied to Reps for their use only in an expressly authorized manner. ARIIX must make sure that the reputation of its brand will be revered. Therefore ARIIX cannot allow the use of its trade names, trademarks, designs, or symbols, or any derivatives of such marks, by any person, including ARIIX Reps, in any unauthorized manner without its prior, written permission.

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

As an independent Rep, you may use the ARIIX name in the following manner

Rep's Name
Independent ARIIX Representative

Example:

Alice Smith

Independent ARIIX Representative

Reps may not use the name "ARIIX" in any form in their team name, a tagline, an external website name, a personal website address or extension, in an e-mail address, as a personal name or as a nickname. Additionally, only use the phrase *Independent ARIIX Rep* in your phone greeting or on your answering machine to clearly separate your independent ARIIX business from ARIIX. For example, you may not secure the domain name www.buyARIIX.com, nor may you create an email address such as ARIIXsales@hotmail.com without the express written permission of ARIIX. Furthermore and close misspellings of ARIIX (including but not limited to ARRIX, ARIX, AR-IXX, shall also be deemed a domain name of ARIIX at the discretion of ARIIX.

8.2.2.1 - Independent ARIIX Rep Logo

If you use an ARIIX logo in any communication, you must use the Independent Rep version of the ARIIX logo. Using any other ARIIX logo requires written approval. Please see examples below:

Logos Approved for Rep Use



Logos NOT Approved for Rep Use



8.2.3 - Media and Media Inquiries

Reps must not attempt to respond to media inquiries regarding ARIIX, its products or services, or their independent ARIIX business. ARIIX wants to assist you in your response. All inquiries by any type of media must be immediately referred to ARIIX's home office. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

8.2.4 - Unsolicited Email

ARIIX being labeled, identified, and marked as a spamming organization can be a significant detriment to communication for Reps as related to email correspondence. Once marked, ISP's and such will not accept email from ARIIX regardless of who is sending the correspondence. Therefore, to prevent the action of one, hindering so many, ARIIX does not permit Reps 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 Rep that promotes ARIIX, the ARIIX opportunity, or ARIIX products and services must comply with the following:

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

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

8.2.5 - Unsolicited Faxes

Except where provided for in this section, Reps may not use or transmit unsolicited faxes in connection with their ARIIX business. The term "unsolicited faxes" means the transmission via telephone facsimile or computer of any material or information advertising or promoting ARIIX, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Rep 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 Rep and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Rep; or (b) a personal or familial relationship, which has not been previously terminated by either party.

8.2.6 - Telephone Directory Listings

It is important that individuals inquiring about ARIIX know that they are contacting the company directly and not a Rep inadvertently. Therefore, Reps may list themselves as an “Independent ARIIX Rep” in the white or yellow pages of the telephone directory, or with online directories, under their own name. No Rep may place telephone or online directory display ads using ARIIX's name or logo. Reps may not answer the telephone by saying “ARIIX”, “ARIIX Incorporated”, or in any other manner that would lead the caller to believe that he or she has reached corporate offices of ARIIX. If a Rep wishes to post his/her name in a telephone or online directory, it must be listed in the following format:

Rep's Name
Independent ARIIX Rep

8.2.7 - Television and Radio Advertising

Reps may advertise on television and radio with ARIIX's express written approval.

8.2.8 - Advertised Prices

To maintain fair business practices, Reps may not create their own marketing or advertising material offering any ARIIX products at a price less than the current Auto-Delivery price, plus shipping and applicable taxes.

8.3 - Online Conduct

8.3.1 - Rep Web Sites

If a Rep desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company's official web site, using official ARIIX Replicated Website templates. Alternatively, Reps may develop their own External Registered Websites. However, any Rep who wishes to develop their own non-Replicated website must submit a properly completed External Website Registration Application and Agreement along with the proper website registration fee and receive the Company's prior written approval before going live with the website.

Subject to the requirements set forth below, Reps who have attained the title of "Officer" or higher may create and utilize their own websites to promote their ARIIX business and generate sales of ARIIX's products and services. However, before launching any website, the Rep must submit a beta site to ARIIX for review, and receive ARIIX's written approval before the site can go live. Once a website is approved by ARIIX in writing, it is a Registered External Website. Any changes to the website must be submitted to ARIIX, and the Rep must receive ARIIX's written authorization to make the change before going live with the change.

Officers and Reps of higher titles may create their own websites, so long as the website and its content comply with the terms of ARIIX's Policies and Procedures. It is the Rep's obligation to ensure his or her online marketing activities are truthful, are not deceptive and do not mislead customers or potential Reps in any way. Websites and web promotion activities and tactics that mislead or are deceptive, regardless of intent, will result in disciplinary action. Misleading tactics include, but are not limited to, spam linking (or blog spam), unethical search engine optimization ("SEO") tactics, misleading click-through ads (i.e. having the display URL of a Pay-Per-Click ("PPC") campaign appear to be directed to an official ARIIX Corporate Site when it in fact goes elsewhere), unapproved banner ads, and unauthorized press releases. ARIIX will be the sole determinant of truthfulness and whether specific activities are misleading or deceptive.

8.3.2 - ARIIX Replicated Websites

In your eSuite Tools, you will receive an ARIIX Replicated Website subscription to facilitate online buying experience for your customers and enrollments for prospects. Reps are solely

responsible and liable for the content they add to their Replicated Website and must regularly review the content to ensure it is accurate and relevant.

In order to maintain branding, Reps may alter the branding, artwork, look, or feel of their Replicated Website, and may use their Replicated Website to promote, market or sell ARIIX Products. However, non-ARIIX products, services or business opportunities are not allowed. Specifically, you may not alter the look (placement, sizing etc.) or functionality of the following:

1. The ARIIX Independent Rep Logo
2. Your Name
3. ARIIX Corporate Website Redirect Button
4. Artwork, logos, or graphics
5. Original text

Because Replicated Websites reside on the ARIIX.com domain, ARIIX reserves the right to receive analytics and information regarding the usage of your website.

By default, your ARIIX Replicated Website URL is www.ARIIX.com/<consultant ID#>. You must change this default ID and choose a uniquely identifiable website name that cannot:

- a) Be confused with other portions of the ARIIX corporate website;
- b) Confuse a reasonable person into thinking they have landed on an ARIIX corporate page;
- c) Be confused with any ARIIX Team name;
- d) Contain any discourteous, misleading, or off-color words or phrases that may damage ARIIX's image.

8.3.3 - Registered External Website Content

Reps are solely responsible and liable for their own Registered External Website content, messaging, claims, and information and must ensure that it appropriately represents and enhances the ARIIX brand and adheres to ARIIX's Policies and Procedures. Additionally, Registered External Websites must not contain disingenuous popup ads or promotions or malicious code. Decisions and corrective actions in this area are at ARIIX's sole discretion.

8.3.4 - ARIIX Independent Rep Disclosure

To avoid confusion, the following three elements must be prominently displayed at the top of every page of your Registered External Website:

1. The ARIIX Independent Rep Logo
2. Your Name and Title
3. ARIIX Corporate Website Redirect Button

Although ARIIX brand themes and images are desirable for consistency, anyone landing on any page of a Rep's External Website must clearly understand that they are at an Independent Rep site, and not an ARIIX Corporate page.

8.3.5 - Registered External Websites Must Exclusively Promote ARIIX

Your ARIIX external website must contain content and information that is exclusive to ARIIX. To avoid any confusion, you may not advertise other products or services other than the ARIIX product line and the ARIIX opportunity.

8.3.6 - Registered External Website Termination

In the event of the voluntary or involuntary cancellation of your Rep Agreement, you must remove your Registered External Website from public view within three days and redirect (forward) all traffic from that domain to www.ARIIX.com. Your external website may be transferred to another ARIIX consultant, subject to ARIIX approval, on a case-by-case basis. Furthermore, for a period of 1 year, you cannot use any reference to ARIIX from your website in a negative campaign against ARIIX.

8.3.7 - Team Websites

You may use team websites for the purposes of connecting, communicating, training, education and sharing best practices among team members. Because these sites may contain sensitive and Company-specific information, these team websites must be password protected and may only be shared with members of your Sales Organization.

8.3.8 - Domain Names, email Addresses and Online Aliases

We will allow you to make use of or utilize one URL with the name “ARIIX”, but it must be approved by the Company in writing prior to use. In addition, the URL must be surrendered to the Company upon request. You hereby convey all of your rights, if any, in such URL to the Company, and you agree to execute any documents necessary for a conveyance, transfer or assignment to the Company. In addition, you hereby appoint the Company as your agent for any such conveyance, transfer or assignment.

Except as set forth in this section, during the term of the Agreement, and for a period of one (1) year after the termination or expiration of the Agreement, you may not use or register ARIIX or any of ARIIX’s trademarks, product names, or any derivatives, for any Internet domain name, email address, or online aliases. Additionally, you cannot use or register domain names, email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from or is the property of ARIIX.

8.3.9 - ARIIX Hotlinks

When directing readers to your Registered External Website or replicated site it must be evident from a combination of the link, and the surrounding context, to a reasonable reader, that the link will be resolving to the site of an independent ARIIX Rep. Attempts to mislead web traffic into believing they are going to an ARIIX corporate site, when in fact they *land* at a Rep site (replicated or registered external) will not be allowed. The determination as to what is *misleading* or what constitutes a *reasonable reader* will be at ARIIX’s sole discretion.

8.3.10 - Online Classifieds

You may not use online classifieds (including Craigslist) to list, sell or retail specific AR-

IIX products or product bundles. You may use online classifieds (including Craigslist) for prospecting, recruiting, sponsoring and informing the public about the ARIIX business opportunity, provided ARIIX-approved templates/images are used. These templates will identify you as an Independent ARIIX Rep. If a link or URL is provided, it must link to your Replicated Website or your Registered External Website.

8.3.11 - eBay / Online Auctions

Both Reps and the Company agree that it is not for the good for ARIIX that products are dumped on the market, in channels that resell ARIIX products. Therefore both Reps and the Company agree that products and services may not be listed on eBay or other online auctions, or other discount resellers nor may Reps enlist or knowingly allow a third party to sell ARIIX products on eBay or other online auction. In the event that such information is brought to a Rep's attention, transactions with the third party related to ARIIX will be stopped immediately.

8.3.12 - Online Retailing

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

8.3.13 - Banner Advertising

You may place banner advertisements on a website provided you use ARIIX-approved templates and images. All banner advertisements must link to your Replicated Website or a Registered External Website. Reps may not use blind ads (ads that do not disclose the identity of the Company) or web pages that make product or income claims that are ultimately associated with ARIIX products or the ARIIX opportunity.

8.3.14 - Spam Linking

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

8.3.15 - Digital Media Submission (YouTube, iTunes, PhotoBucket etc.)

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

8.3.16 - Sponsored Links / Pay-Per-Click (PPC) Ads

Sponsored links or pay-per-click ads (PPC) are acceptable. The destination URL must be to either the sponsoring Rep's Replicated Website or to the sponsoring Rep's Registered External

Website. The display URL must also be to either the sponsoring Rep's Replicated Website or to your Registered External Website, and must not portray any URL that could lead the user to believe they are being directed to an ARIIX Corporate site, or be inappropriate or misleading in any way.

8.3.17 - Domain Names and Email Addresses

ARIIX will allow reps to use a single Domain and a single URL with the name ARIIX provided the Company does not want to use it. The number is limited to one (1) per Rep to allow others to take advantage of this opportunity. However, in the event ARIIX finds a use for a particular ARIIX derived Domain or Email, the Company has the right to take it from any Rep who has not received written permission from the Company to have the URL provided they have an active Distributorship. Therefore, Reps may use any of ARIIX's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative of the foregoing, for any Internet domain name, email address, or social media name or address provided they receive written permission first should a Rep wish protection from the Company for that Domain. ANY Rep may use any of ARIIX's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative of the foregoing, for any Internet domain name, email address, or social media name or address without express written consent from ARIIX but does so at the risk of losing that Domain or Address immediately at the request of ARIIX. Reps acknowledge that without written permission, the Company is not responsible for any lost business, or inconvenience as a result of acquiring the Domain or Address. Further, web domains or addresses using the name ARIIX will be the property of the Rep and hence must be released back to the company after termination of this Agreement for whatever reason. Regardless of written consent, Rep's must modify their domain or email to the extent ARIIX determines the site misleads individuals towards believing it is a Company-sponsored site and not a Rep's domain/email.

8.3.18 - Social media

Social media may be used by Reps to share information about the ARIIX business opportunity and for prospecting and sponsoring.

Social media sites may be used to sell or offer to sell specific ARIIX products or services, so long as such products or services are offered at a price that is not less than the Auto-Delivery price. Profiles a Rep generate in any social community where ARIIX is discussed or mentioned must clearly identify the Rep as an "Independent ARIIX Rep", and when participating in those communities, Reps must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at ARIIX's sole discretion. Banner ads and images used on these sites must be current and must come from the ARIIX approved library. If a link is provided, it must link to the posting Rep's Replicated Website or a Registered External Website.

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

8.3.18.1.1 - Reps Are Responsible for Postings

Reps are personally responsible for their postings and all other online activity that

relates to ARIIX. Therefore, even if a Rep does not own or operate a blog or social media site, if a Rep posts to any such site that relates to ARIIX or which can be traced to ARIIX, the Rep is responsible for the posting. Reps are also responsible for postings, which occur on any blog or social media site that the Rep owns, operates or controls.

8.3.18.1.2 - Identification as an Independent ARIIX Rep

You must disclose your full name on all social media postings, and conspicuously identify yourself as an independent Rep for ARIIX. Anonymous postings or use of an alias is prohibited.

8.3.18.1.3 - Social media as a Sales and Promotion Forum

Social media sites are relationship-building sites. While building relationships is an important part of the sales process, except as set forth above in Section 8.3.18, social media sites may not be used as a direct medium for generating sales or explaining the ARIIX income opportunity. Online sales may only be generated from a Rep's ARIIX-replicated website, from websites authorized by ARIIX pursuant to Section 8.3 or a social media site authorized under Section 8.3.18. Reps shall use Company-developed materials or Rep-developed materials (that have been approved by the Company pursuant to Section 8.2) on social media sites to explain the ARIIX compensation plan or any component of the compensation plan.

8.3.18.1.4 - Deceptive Postings

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

8.3.18.1.5 - Use of Third Party Intellectual Property

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

8.3.18.1.6 - Respecting Privacy

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

8.3.18.1.7 - Professionalism

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

8.3.18.1.8 - Prohibited Postings

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

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

8.3.18.1.9 - Responding to Negative Posts

Do not converse with one who places a negative post against you, other independent Reps, or ARIIX. Report negative posts to the Company at compliance@ARIIX.com. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as ARIIX, and therefore damages the reputation and goodwill of ARIIX.

8.3.18.1.10 - Social Media Sites with Website-like Features

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

8.3.18.1.11 - Cancellation of Your ARIIX Business

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

8.4 - Business Entities

A corporation, limited liability company, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be an ARIIX Rep by submitting a Rep Application and Agreement along with a properly completed Business Entity Application and Agreement and a properly completed IRS form W-9. The Business Entity, as well as all shareholders, members, managers, partners, trustees, or other parties with any ownership interest in, or management responsibilities for, the Business Entity (collectively "Affiliated Parties") are individually, jointly and severally liable for any indebtedness to ARIIX, compliance with the ARIIX Policies and Procedures, the ARIIX Rep Agreement and other obligations to ARIIX.

To prevent the circumvention of Sections 8.24 (regarding transfers and assignments of an ARIIX business) and 8.5, (regarding Sponsorship Changes), if any Affiliated Party wants to terminate his or her relationship with the Business Entity or ARIIX, the Affiliated Party must terminate his or her affiliation with the Business Entity, notify ARIIX in writing that he or she has terminated his/her affiliation with the Business Entity, and must comply with the provisions of Section 8.24.

In addition, the Affiliated Party foregoing their interest in the Business Entity may not participate in any other ARIIX business for six consecutive calendar months in accordance with Section 8.5.3. If the Business Entity wishes to bring on any new Affiliated Party, it must adhere to the requirements of Section 8.24.

The modifications permitted within the scope of this paragraph *do not* include a change of sponsorship. Changes of sponsorship are addressed in Section 8.5, below. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Rep Application and Agreement. ARIIX may, at its discretion, require notarized documents before implementing any changes to an ARIIX business. Please allow thirty (30) days after the receipt of the request by ARIIX for processing.

8.4.1 - Changes to a Business Entity

Each Rep must immediately notify ARIIX of all changes to the type of business entity they utilize in operating their businesses and the addition or removal of business Affiliated Parties.

8.5 - Change of Sponsor

In order to protect the business of every Independent Rep, ARIIX prohibits changes in sponsorship. Accordingly, the transfer of an ARIIX business from one sponsor to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to the Rep Services Department, and must include the reason for the transfer. Transfers will only be considered in the following three circumstances:

8.5.1 - Conflicting Enrollments

Every prospective Rep has the ultimate right to choose his/her own Sponsor. As a general rule, the first Rep who does meaningful work with a prospective Rep is considered to have first claim to sponsorship. Basic tenets of common sense and consideration should govern any dispute that may arise. In the event that a prospective Rep, or any Rep on behalf of a prospective Rep, submits more than one Rep Application and Agreement to ARIIX listing a different Sponsor on each, the Company will only consider valid the first Rep Application and Agreement that it receives, accepts, and processes. If there is any question concerning the sponsorship of a Rep, the final decision will be made by ARIIX.

8.5.2 - Misplacement

Where an incorrect placement was made due to a Rep error, a change in the line of sponsorship can be made to correct the error where a request for a change is made within ten (10) days of enrollment. If you make such a request, you must also submit the written consent of your Sponsor along with the required placement change fee. If at the time of the request you have any down-line organization in place, no change will be permitted in the line of sponsorship. In the event that such a change is approved, commissions and bonuses earned will be adjusted accordingly. In no case will a change of placement be approved where a signed application has not been received by ARIIX.

8.5.3 - Cancellation and Re-application

A Rep may legitimately change organizations by remaining inactive (*i.e.*, no purchases of ARIIX products, no sales of ARIIX products, no sponsoring, no attendance at any ARIIX func-

tions, participation in any other form of Rep activity, or operation of any other ARIIX business, no income from the ARIIX business) for six (6) full calendar months. Following the six-month period of inactivity, the former Rep may reapply under a new sponsor. However, the former Rep's downline will remain in their original line of sponsorship.

8.5.4 - Crossline Raiding

Crossline raiding is strictly prohibited. "Crossline raiding" is defined as 'the enrollment or attempted enrollment of an individual who or entity that already has a current Preferred Customer or Rep Agreement on file with ARIIX, or who has had such an Agreement within the preceding six (6) calendar months within a different line of sponsorship.' The use of trade names, DBAs, corporations, partnerships, trusts, spouse names, Social Insurance Numbers, social security numbers, Employer Identification Numbers, or fictitious ID numbers to circumvent this policy is prohibited. Reps may not demean, discredit or invalidate other ARIIX Reps in an attempt to entice another Rep to become part of the first Rep's downline organization.

8.6 - Deceptive Practices

Reps must fairly and truthfully explain the ARIIX products, opportunity, compensation plan, and Policies and Procedures to prospective Reps. This includes:

- Being honest and thorough in presenting material from the ARIIX compensation plan to all potential Reps;
- Making clear that income from the ARIIX compensation plan is based on product sales and not merely on sponsoring other Reps;
- Making estimates of profits that are based on reasonable predictions for what an average Rep would achieve in normal circumstances;
- Representing that past earnings in a given set of circumstances do not necessarily reflect future earnings;
- Not misrepresenting the amount of expenditure that an average Rep might incur in carrying on the business;
- Not misrepresenting the amount of time an average Rep would have to devote to the business to achieve the profit estimated, and not stating that profits or earnings are guaranteed for any individual Rep;
- Never stating or inferring that you will build a downline organization for anyone else;
- Never stating that profits or earnings are guaranteed for an individual Rep;
- Never stating that any consumer, business, or government agency has approved or endorsed the ARIIX products or its compensation plan; and
- Never participating in downline purchasing (placing a sales order in a Business Center other than where the sale was generated).

8.7 - Waiver of Claims

In cases in which the appropriate sponsorship change procedures have not been followed, and a downline organization has been developed in the second business developed by a Rep, ARIIX reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, **REPRESENTATIVES WAIVE ANY AND ALL CLAIMS AGAINST ARIIX, ITS OFFICERS, DI-**

RECTORS, OWNERS, EMPLOYEES AND AGENTS THAT RELATE TO OR ARISE FROM ARIIX’S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.

8.8 - Unauthorized Claims and Actions

8.8.1 - Indemnification

ARIIX, as well as all Members and Reps are fully responsible for all of their respective verbal and written statements made regarding ARIIX products, services, and the Compensation Plan that are not expressly contained in official ARIIX materials. This includes statements and representations made through all sources of communication media, whether person-to-person, in meetings, online, through social media, in print, or any other means of communication. Each party agrees to indemnify the other party (as well as its directors, officers, employees, and agents [if any]), and hold them harmless from all liability including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by the other party as a result of the first party’s unauthorized representations or actions. This provision shall survive the termination of the Rep Agreement.

8.8.2 - Product Claims

In order to comply with legal requirements, neither ARIIX nor any Member or Rep may make claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by ARIIX may be made except those contained in official ARIIX literature. In particular, no Rep may make any claim that ARIIX products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims, and they may lack adequate substantiation. Not only are such claims in violation of the Rep Agreement, they also violate the laws and regulations of the United States, Canada and other jurisdictions.

8.8.3 - Income Claims

A Rep, when presenting or discussing the ARIIX opportunity or Compensation Plan to a prospective Rep, may make income projections, income claims, or disclose his or her ARIIX income (including the showing of checks, copies of checks, bank statements, or tax records) if, at the time the presentation is made, the Rep simply provides a current copy of the ARIIX Income Disclosure Statement (IDS) to the person(s) to whom he or she is making the presentation.

8.8.4 - Income Disclosure Statement

ARIIX’s corporate ethics compel us to not merely do what is legally required, but rather, to conduct the absolute best business practices. To this end, we have developed the ARIIX Income Disclosure Statement (“IDS”). The ARIIX IDS is designed to convey truthful, timely, and comprehensive information regarding the income that ARIIX Reps earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective Reps.

A copy of the IDS must be presented to a prospective Rep (someone who is not a party to a current ARIIX Rep Agreement) anytime the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms “income claim” and/or “earnings representation” (collectively “income claim”) include: (1) statements of actual earnings, (2) statements of projected earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims.

A lifestyle income claim typically includes statements (or pictures) involving large homes, luxury cars, exotic vacations, or other items suggesting or implying wealth. They also consist of references to the achievement of one's dreams, having everything one always wanted, and are phrased in terms of “opportunity” or “possibility” or “chance.” Claims such as “My ARIIX income exceeded my salary after six months in the business,” or “Our ARIIX business has allowed my wife to come home and be a full-time mom” also fall within the purview of “lifestyle” claims.

In any non-public meeting (e.g., a home meeting, one-on-one, regardless of venue) with a prospective Rep or Reps in which the Compensation Plan is discussed or any type of income claim is made, you must provide the prospect(s) with a copy of the IDS. In any meeting that is open to the public in which the Compensation Plan is discussed or any type of income claims is made, you must provide every prospective Rep with a copy of the IDS and you must display at least one (3 foot x 5 foot poster board) in the front of the room in reasonably close proximity to the presenter(s). In any meeting in which any type of video display is utilized (e.g., monitor, television, projector, etc.) a slide of the IDS must be displayed continuously throughout the duration of any discussion of the Compensation Plan or the making of an income claim.

Copies of the IDS may be printed or downloaded without charge from the corporate website at <http://www.ARIIX.com/IDS>.

Reps who develop sales aids and tools in which the Compensation Plan or income claims are present must incorporate the IDS into each such sales aid or tool prior to submission to the Company for review.

8.9 - Repackaging and Re-labeling Prohibited

ARIIX products may only be sold in their original packaging. In order to assure a tamper-free product, Reps may not repackage, re-label or alter the labels on ARIIX products. Tampering with labels/packaging may be a violation of federal and state laws, and may result in civil or criminal liability. Reps may affix a personalized sticker with your personal/contact information to each product or product container, as long as it is done without removing existing labels or covering any text, graphics or other material on the product label.

8.10 - Commercial Outlets

Reps may not sell ARIIX products from a commercial outlet, nor may Reps display or sell ARIIX products or literature in any retail or service establishment. Reps may display and retail ARIIX products in commercial outlets where professional services are the primary source of revenue and product sales are secondary. Approved service-oriented establishments may include (but are not limited to) health spas, beauty shops, and physicians' and chiropractors' offices. Unapproved retail-oriented establishments may include (but are not limited to) retail stores, Internet auction and/or sales facilitation websites (i.e., eBay or Craigslist), and pharmacies. It is a violation of this policy to knowingly be part of any scheme whereby a Rep provides products to a third party whom then offers the product for resale in any unapproved retail-oriented establishment.

8.11 - Trade Shows, Expositions and Other Sales Forums

Reps may display and/or sell ARIIX products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Reps must contact the Rep Services department in writing for conditional approval, as ARIIX's policy is to authorize only one ARIIX business per event. Final approval will be granted to the first Rep who submits an official advertisement of the event, a copy of the contract signed by both the Rep 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 Rep Services Department. ARIIX 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 ARIIX opportunity. Approval will be granted unless the event is not conducive to the professional image ARIIX wishes to portray.

8.12 - Conflicts of Interest

8.12.1 - Non-solicitation

The issue of "non-solicitation" is a very sensitive one for both Reps and the Company. Our primary objective is to benefit our Customers, Members, and Reps. However; this benefit cannot and should not be provided at the cost or detriment to anyone else.

We want to partner and be in business with you forever. Whether you choose to maintain your ARIIX business and participate in another direct sales opportunity, or if you elect to terminate your ARIIX business to join another direct sales opportunity, *we want to support you and wish you the very best of success!*

Unlike most direct sales companies that take the position "we have all the rights and privileges, and you have none," we want to put a stake in the ground and tell you that you DO have rights and privileges when you work with ARIIX take advantage of the opportunities we have to offer.

While we are committed to honoring your rights, we expect the same commitment from you to honor ours. It is critically important to understand that our relationship is a two-way street. We are absolutely committed to you! We are equally committed to this marketing and distribution channel. We are not going to compete unfairly against you and we expect that you will not compete unfairly with us. We also expect you to be similarly committed to us, and to treat your fellow Customers, Members, Reps and us with fairness and integrity.

ARIIX Reps 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, you MAY speak directly to your Customers, Members, or Reps who you have personally sponsored in ARIIX. Your communications and activities are limited exclusively to those individuals you have personally sponsored. You may not directly or indirectly recruit other ARIIX Reps, Members, or Customers for any other network marketing business.

In addition, you may not entice, solicit, or encourage any Customer, Member, or Rep to cancel their Agreement with us regardless of whether you sponsored them. But, as is set forth

above, you can talk with your personal enrollees about another opportunity without fear of cancellation. The provisions of this Section 8.12 shall survive this Agreement for a period of one (1) year following termination of this Agreement for whatever reason.

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

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 ARIIX Rep, Member or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

8.12.2 - Rep Participation in Other Network Marketing Programs

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

- Reps must not sell, or attempt to sell, any competing non-ARIIX programs, products or services to ARIIX Customers, Members, or Reps other than those they have personally enrolled. Any program, product or services in the same generic categories as ARIIX products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.
- Reps shall not display ARIIX promotional material, sales aids, products or services with or in the same location as, any non-ARIIX promotional material or sales aids, products or services.
- Reps shall not offer the ARIIX opportunity, products or services to prospective or existing Customers or Reps in conjunction with any non-ARIIX program, opportunity, product or service.
- Reps may not offer any non-ARIIX opportunity, products, services or opportunity at any ARIIX-related meeting, seminar, convention, webinar, teleconference, or other function.

8.12.3 - Confidential Information

“Confidential Information” includes, but is not limited to, Downline Genealogy Reports, the identities of ARIIX customers and Reps, contact information of ARIIX customers and Reps, Reps’ personal and group sales volumes, and Rep title and/or achievement levels. Confidential Information is, or may be available, to Reps in their respective back-offices. Rep access to such confidential information is password protected, and is confidential and constitutes proprietary information and business trade secrets belonging to ARIIX. Such confidential information is provid-

ed to Reps in strictest confidence and is made available to Reps for the sole purpose of assisting Reps in working with their respective downline organizations in the development of their ARIIX business. Reps may not use the reports for any purpose other than for developing their ARIIX business. Reps should use the confidential information to assist, motivate, and train their downline Reps. The Rep and ARIIX agree that, but for this Agreement of confidentiality and nondisclosure, ARIIX would not provide confidential information to the Rep.

To protect the confidential information, Reps 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 confidential information to any third party;
- Directly or indirectly disclose the password or other access code to his or her back-office;
- Use any confidential information to compete with ARIIX or for any purpose other than promoting his or her ARIIX business;
- Recruit or solicit any Rep or Customer of ARIIX listed on any report or in the Rep's back-office, or in any manner attempt to influence or induce any Rep or Preferred Customer of ARIIX, to alter their business relationship with ARIIX; or
- Use or disclose to any person, partnership, association, corporation, or other entity any confidential information.

This provision shall survive the termination or expiration of the Rep Agreement.

8.13 - Targeting Other Direct Sellers

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

8.14 - Errors or Questions

If a Rep has questions about or believes any errors have been made regarding commissions, bonuses, genealogy lists, or charges, the Rep must notify ARIIX in writing within fourteen (14) days of the date of the purported error or incident in question. ARIIX will not be responsible for any errors, omissions or problems not reported to the Company within fourteen (14) days.

8.15 - Governmental Approval or Endorsement

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

8.16 - Holding Applications or Orders

In order to provide excellent customer service, all Rep Applications and Agreements, must be

sent to ARIIX within three days from the time they are signed by a Member or a customer, respectively. Any orders placed directly to a Rep must also be sent to ARIIX as fast as possible not to exceed three (3) days to assure a timely delivery to the consumer.

8.17 - Income Taxes

Unfortunately, we cannot provide you with any personal tax advice. Please consult your own tax accountant, tax attorney, or other tax professional. Each Rep is responsible for paying local, state/provincial, and federal taxes on any income generated as an Independent Rep.

ARIIX is required by law to file an information return (form 1099-MISC) with the IRS to report income over \$600 that ARIIX pays to you or to report \$5000 or more of sales by ARIIX to you of consumer products for resale to end consumers. If you are a resident of the United States (including a resident alien), you must provide ARIIX with your correct taxpayer identification number, which for individuals is either your Social Security Number or, if you are a resident alien and you do not have and are not eligible to get an SSN, your Individual Taxpayer Identification Number. For a distributorship that is a partnership, corporation, company, or association organized in the United States or under the laws of the United States, you must provide ARIIX with your Employer Identification Number.

8.18 - Independent Contractor Status

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

8.19 - International Marketing

Reps are authorized to sell ARIIX products and services, and enroll Customers or Reps only in the countries in which ARIIX is authorized to conduct business, as announced in official Company literature. ARIIX products or sales aids may not be shipped into or sold in any foreign country. Reps may sell, give, transfer, or distribute ARIIX products or sales aids only in their home country. In addition, no Rep may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential customers or Reps; or (c) conduct any other activity for the purpose of selling ARIIX products, establishing a marketing organization or promoting the ARIIX opportunity.

8.20 - Excess Inventory and Bonus Buying

Reps must never purchase more products than they can reasonably use or sell to retail customers in a month, and must not influence or attempt to influence any other Rep to buy more products than they can reasonably use or sell to retail customers in a month. In addition, bonus buying is strictly prohibited. Bonus buying includes any mechanism or artifice to qualify for title advancement, incentives, prizes, commissions or bonuses that are not driven by bona fide product or service purchases by end user consumers. Bonus buying includes, but is not limited to, purchasing

products through a straw man or other artifice.

8.21 - Adherence to Laws and Ordinances

Reps 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 Reps because of the nature of their business. However, Reps must obey those laws that do apply to them. If a city or county official tells a Rep that an ordinance applies to him or her, the Rep shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of ARIIX.

8.22 - One ARIIX Business Per Rep/Multiple Distributorships Per Household

In order to prevent the circumvention of ARIIX's Compensation Plan, a Rep may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one ARIIX business. No individual may have interest in, operate or receive compensation from more than one ARIIX business. Individuals of the same Household may not enter into or have an interest in more than one ARIIX Business. A "household" is defined as spouses, and dependent children living at or doing business at the same address.

In order to maintain the integrity of the ARIIX Compensation Plan, husbands and wives or common-law couples (collectively "spouses") who wish to become ARIIX Reps must be jointly sponsored as one ARIIX business. Spouses, regardless of whether one or both are signatories to the Representative Application and Agreement, may not own or operate any other ARIIX business, either individually or jointly, nor may they participate directly or indirectly (as a shareholder, partner, trustee, trust beneficiary, or have any other legal or equitable ownership) in the ownership or management of another ARIIX business in any form.

An exception to the 'one business per Rep, per household' rule will be considered on a case-by-case basis if two Reps marry or in cases of a Rep receiving an interest in another business through inheritance. Requests for exceptions to policy must be submitted in writing to the Compliance Department (compliance@ARIIX.com).

8.23 - Actions of Household Members or Affiliated Parties

If any member of a Rep's immediate household engages in any activity which, if performed by the Rep, would violate any provision of the Agreement, such activity will be deemed a violation by the Rep and ARIIX may take disciplinary action pursuant to the Statement of Policies against the Rep. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and ARIIX may take disciplinary action against the Business Entity. Likewise, if a Rep enrolls in ARIIX as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

8.24 - Sale, Transfer or Assignment of ARIIX Business

In the event you decide to sell your ARIIX business, the company will do everything it can, consistent with these Policies and Procedures, to accommodate your wishes. It is important to understand that a sale, transfer, or assignment of your business can have a dramatic effect on your

downline and your upline. Therefore, in the spirit of fairness that is woven into every decision we make, we must consider the legitimate interests of your downline and upline Reps.

Although an ARIIX business is a privately owned and independently operated business, the sale, transfer or assignment of an ARIIX business, and the sale, transfer, or assignment of an interest in a Business Entity that owns or operates an ARIIX business, is subject to only a few certain limitations. If a Rep wishes to sell his or her ARIIX business, or interest in a Business Entity that owns or operates an ARIIX business, the following criteria must be met:

- The selling Rep must offer ARIIX the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. ARIIX shall have fifteen days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- The buyer or transferee must become a qualified ARIIX Rep. In an effort to prevent cross-line raiding, ARIIX requires a minimum of a one (1) year waiting period for any person who has had a legal or beneficial interest in an ARIIX business.
- Before the sale, transfer or assignment can be finalized and approved by ARIIX, any debt obligations the selling party has with ARIIX must be satisfied.
- The selling party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign an ARIIX business.

Prior to selling an independent ARIIX business or Business Entity interest, the selling Rep must notify ARIIX's Compliance Department in writing and advise of his or her intent to sell his/her ARIIX business or Business Entity interest. The selling Rep must also receive written approval from the Compliance Department before proceeding with the sale. The line of sponsorship must remain unchanged as a result of the sale or transfer of an ARIIX business.

8.25 - Separation of an ARIIX Business

ARIIX Reps sometimes operate their ARIIX businesses as husband-wife partnerships, regular partnerships, LLCs, corporations, trusts, or other Business Entities. At such time as a marriage may end in divorce or a corporation, LLC, partnership, trust or other Business Entity 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.

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 ARIIX business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize ARIIX to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
- The parties may continue to operate the ARIIX business jointly on a "business-as-usual" basis, whereupon all compensation paid by ARIIX 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.

With a certified court order, the bonus and commission checks and/or the Downline Organization of divorcing spouses may be divided. With an agreement in which the signatures of *all* shareholders, partners, members, or parties having a legal or equitable interest are notarized or otherwise legally authenticated, the bonus and commission checks and/or the downline Organization of a dissolving business entity be divided. In such circumstances, the court order (in the case of a divorce) or the agreement (in the case of a dissolving business entity) must clearly and precisely specify how the bonus and commission check and/or Downline Organization is to be divided. 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 Company, the Rep Agreement shall be involuntarily cancelled.

If a former spouse has completely relinquished all rights in the original ARIIX business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six (6) calendar months from the date of the final dissolution before re-enrolling as a Rep. In either case, the former spouse or business affiliate shall have no rights to any Reps in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new Rep.

8.26 - Sponsoring Online

When sponsoring a new Rep through the online enrollment process, the sponsor may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the online application and Agreement, ARIIX's Policies and Procedures, and the ARIIX Compensation Plan. The sponsor may not fill out the online application and Agreement on behalf of the applicant and agree to these materials on behalf of the applicant.

8.27 - Succession

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

- Execute a Rep Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased Rep's status;
- The devisee must provide ARIIX 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. ARIIX will issue all bonus and commission checks and one IRS Form 1099 to the business entity.

8.27.1 - Transfer Upon Death of a Rep

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

8.27.2 - Transfer Upon Incapacitation of a Rep

To effectuate a transfer of an ARIIX business because of incapacity, the successor must provide the following to ARIIX: (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 ARIIX business; and (3) a completed Rep Agreement executed by the trustee.

8.28 - 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 ARIIX does not consider Reps 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.

Telephone calls placed to a prospective customer or Rep (a "prospect") are permissible under the following situations:

- If the Rep has an established business relationship with the prospect. An “established business relationship” is a relationship between a Rep and a prospect based on the prospect’s purchase, rental, or lease of goods or services from the Rep, or a financial transaction between the prospect and the Rep, 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 Rep, within the three (3) months immediately preceding the date of such a call.
- If the Rep receives written and signed permission from the prospect authorizing the Rep to call. The authorization must specify the telephone number(s), which the Rep 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 call 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.

Outside of the type of individuals listed above, Reps must not engage in telemarketing in the

operation of their ARIIX businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of an ARIIX product or service, or to recruit them for the ARIIX opportunity. “Cold calls” made to prospective customers or Reps that promote either ARIIX’s products or services or the ARIIX opportunity constitute telemarketing and are prohibited. These include:

- Reps shall not use automatic telephone dialing systems or software relative to the operation of their ARIIX businesses.
- Reps shall not place or initiate any outbound telephone call to any person that delivers any pre-recorded message (a "robocall") regarding or relating to the ARIIX products, services or opportunity.

8.29 - Back Office Access

ARIIX makes online back offices available to its Reps. Back offices provide Reps access to confidential and proprietary information that may be used solely and exclusively to promote the development of a Rep’s ARIIX business and to increase sales of ARIIX products. However, access to a back office is a privilege, and not a right. ARIIX reserves the right to deny Reps’ access to the back office should such access pose a risk to ARIIX or its business affairs.

SECTION 9 - RESPONSIBILITIES OF REPRESENTATIVES

9.1 - Change of Address, Telephone, and E-Mail Addresses

To ensure timely delivery of products, support materials, commission, and tax documents, it is important that the ARIIX’s files are current. Street addresses are required for shipping since UPS cannot deliver to a post office box. Reps planning to change their e-mail address or move must send their new address and telephone numbers to ARIIX’s Corporate Offices to the attention of the Rep Services Department. To guarantee proper delivery, two weeks advance notice must be provided to ARIIX on all changes. A Rep’s whose contact information changes must amend their contact information through their Rep Back Office.

9.2 - Continuing Development Obligations

9.2.1 - Ongoing Training

Any Rep who sponsors another Rep into ARIIX must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her ARIIX business. Reps must have ongoing contact and communication with the Reps in their Downline Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Reps to ARIIX meetings, training sessions, and other functions. Upline Reps are also responsible to motivate and train new Reps in ARIIX product knowledge, effective sales techniques, the ARIIX Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline Reps must not, however, violate Sections 8.1 and/or 8.2 (regarding the development of Rep-produced sales aids and promotional materials).

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

9.2.2 - Increased Training Responsibilities

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

9.2.3 - Ongoing Sales Responsibilities

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

9.3 - Non-disparagement

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

9.4 - Providing Documentation to Applicants

Reps must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Reps before the applicant signs a Rep Agreement, or ensure that they have online access to these materials.

SECTION 10 - SALES REQUIREMENTS

10.1 - Product Sales

Decades of direct selling history throughout the world have taught us that a well-designed compensation plan has four objectives. It should incent and reward: **(1) product sales and customer acquisition; (2) distributor recruiting; (3) organizational development [downline building]; and (4) leadership development.** It is essential to understand, that *the second, third, and four objectives must always be subordinate to the first - product sales and customer acquisition.* Although these other objectives are vitally important, when distributor recruiting, organizational development, and leadership development supersede product sales and customer acquisition – the possible result is a pyramid.

Accordingly, the ARIIX Compensation Plan is based primarily and ultimately on the sale of ARIIX products and services to end consumers. Reps must fulfill personal and Downline Organi-

zation retail sales requirements (as well as meet other responsibilities set forth in this Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales requirements must be satisfied for Reps to be eligible for commissions:

- Reps must satisfy the Personal Product Volume and Group Sales Volume requirements to fulfill the requirements associated with their title as specified in the ARIIX Compensation Plan. “Personal Sales Volume” includes purchases made by the Rep and purchases made by the Rep’s personal customers. Group Volume shall include the total Sales Volume of all Reps in his or her marketing organization, but shall not include the Rep’s Personal Sales Volume.
- To insure that we are moving products to end consumers, at least 70% of your total monthly personal sales volume must be sold to personal retail customers and/or Preferred Customers (collectively referred to herein as “Customers”).
- Similarly, as your ARIIX business is developing, you must develop or service a minimum of Customers who are actively ordering from you every month.

10.2 - No Territory Restrictions

To be completely fair in our relationships with all Representatives, ARIIX grants no exclusive territories to anyone.

10.3 - Sales Receipts for Non-Online Orders

The regulations of the U.S. Federal Trade Commission, as well as state home solicitation acts, require all Reps to provide their retail customers with two copies of an official ARIIX sales receipt at the time of any *non-online sale* for \$25.00 or more. These receipts set forth the Customer Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law. Reps must maintain all retail sales receipts for sales to retain customers for a period of two years and furnish them to ARIIX at the Company’s request. Records documenting the purchases of Reps’ Preferred Customers will be maintained by ARIIX.

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

SECTION 11 - BONUSES AND COMMISSIONS

11.1 - Bonus and Commission Qualifications and Accrual

A Rep must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Rep complies with the terms of the Agreement, ARIIX shall pay commissions to such Rep in accordance with the Marketing and Compensation plan. The minimum amount for which ARIIX will issue a commission is \$30.00. If a Rep’s bonuses and commissions do not equal or exceed \$30.00, the Company will accrue the commissions and bonuses until they total \$30.00. Payment will be issued once \$30.00 has been accrued. Notwithstanding the foregoing, all commissions owed a Rep, regardless of the amount accrued, will be paid upon the termination of a Rep’s business.

11.2 - Adjustment to Bonuses and Commissions

11.2.1 - Adjustments for Returned Products and Services

Reps receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to ARIIX for a refund or is repurchased by the Company, the following will occur: (1) the bonuses attributable to the returned or repurchased product(s) will be deducted in the subsequent weeks based on when the refund is recorded, and continuing every pay period thereafter until the commission is recovered, from the upline Reps who received bonuses and commissions on the sales of the refunded products; or (2) the Reps who earned commissions based on the sale of the returned products will have the corresponding points deducted from their Line Volume in the pay period the returned product is recorded by ARIIX.

11.2.2 - Commission Payments

The Company pays commissions via direct payment onto a third-party provided debit card, the terms of which are provided in the debit card agreement. There is no charge for these deposits. Any exchange rate variation is the risk of the Rep.

11.2.3 - Tax Withholdings

If a Rep fails to submit a W-9 form, ARIIX will deduct the necessary withholdings from the Rep's commission checks as required by law.

11.3 - Reports

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

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

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, ARIIX AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY REPRESENTATIVE OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND/OR GROUP SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF ARIIX 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, ARIIX 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 ARIIX's online 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, it is your sole and exclusive remedy to discontinue use of and access to ARIIX's online reporting services and your reliance upon the information.

SECTION 12 - DEFINITIONS

Active Customer - A Customer who purchases ARIIX products and whose account has been paid for the ensuing year.

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

Active Title - The term "active title" refers to the current title of a Rep, as determined by the ARIIX Compensation Plan, for any pay period. To be considered "active" relative to a particular title, a Rep must meet the criteria set forth in the ARIIX Compensation Plan for his or her respective title. *(See the definition of "Title" below.)*

Affiliated Party - A shareholder, member, partner, manager, trustee, or other parties with any ownership interest in, or management responsibilities for, a Business Entity.

Agreement - The contract between the Company and each Rep. This includes the Rep Application and Agreement, the ARIIX Policies and Procedures, the ARIIX Compensation Plan, and the Business Entity Form (where appropriate), all in their current form and as amended by ARIIX in its sole discretion. These documents are collectively referred to as the "Agreement."

Business Orientation System - A selection of ARIIX online training materials and business support materials, and Rep replicated website that each new Independent Marketing Rep is required to purchase.

Cancellation - The termination of a Rep's business. Cancellation may be either voluntary, involuntary, through non-renewal or inactivity.

Downline Line - Each one of the individuals enrolled immediately underneath you and their respective marketing organizations represents one "line" in your marketing organization.

Household - Spouses, heads-of-household and dependent family members residing in the same residence.

Immediate Household - Spouses, heads-of-household and dependent family members residing in the same residence.

Marketing Organization - The Customers and Reps sponsored below and within the downline lines of a particular Rep.

Official ARIIX Material - Literature, audio or videotapes, websites, and other materials developed, printed, published and/or distributed by ARIIX to Reps.

Personal Production - Moving ARIIX products or services to an end consumer for actual use.

Personal Volume - The commissionable value of services and products purchased by: (1) a Rep; and (2) the Rep's personal Retail Customers who are on the Auto-Delivery program or who purchase from the Rep's ARIIX replicated website.

Placement - The Rep under whom a new Rep is placed by his or her Sponsor.

Recruit - For purposes of ARIIX's Conflict of Interest Policy (Section 8.12), 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 ARIIX Rep or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

Registered External Website - A Rep-operated ARIIX-approved personal website that is hosted on non-ARIIX servers and has no official affiliation with ARIIX.

Replicated Website - A website provided by ARIIX to Reps which utilizes website templates developed by ARIIX.

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

Retail Customer - An individual or entity that purchases ARIIX products or services from a Rep, who is not a participant in the ARIIX compensation plan.

Retail Sales - Sales to a Retail Customer or a Preferred Customer.

Social media - Any type of online media that invites, expedites or permits conversation, comment, rating, and/or user generated content, as opposed to traditional media, which delivers content but

does not allow readers/viewers/listeners to participate in the creation or development of content, or the comment or response to content. Examples of social media include, but are not limited to, blogs, Facebook, MySpace, Twitter, LinkedIn, Delicious and YouTube.

Sponsor - A Rep under whom an enroller places a new Rep or Customer, and is listed as the sponsor on the Rep or Customer Application and Agreement.

Title - The “Title” that a Rep holds pursuant to the ARIIX Compensation Plan. “Title” refers to the highest position a Rep has achieved in the ARIIX compensation plan at any time. “Paid As” title refers to the position at which a Rep is qualified to earn commissions and bonuses during the current pay period.

Upline - This term refers to the Rep or Reps above a particular Rep in a line up to the Company. Conversely stated, it is the line of placement that links any particular Rep to the Company.