

## STATEMENT OF POLICIES & PROCEDURES

(Effective August 2009)

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These Policies and Procedures may be amended from time to time pursuant to Section 2. Such amendments become effective upon publication on FreeLife's website. Please check FreeLife.com regularly for updates to the Policies and Procedures.

When a person joins FreeLife as an Independent Marketing Executive, they not only enjoy the benefits of FreeLife's exceptional products, but they bring to FreeLife one of their most precious assets, their "time." Many Marketing Executives will build a thriving prosperous FreeLife business, which may represent significant commitment of time and resources. Like any other independent businessperson, a Marketing Executive's success or failure depends on his or her personal efforts. No company can legitimately guarantee its independent contractors any particular income, profit, or success. However, FreeLife provides its Marketing Executives with the best quality products and one of the finest compensation plans in the industry. FreeLife and its products provide an opportunity for consumers and Marketing Executives to enrich the quality of their lives. It also provides equal access to financial success to any Marketing Executive willing to properly work the program.

As a company, we will assist you in providing the tools, support, and training to build a successful business. The following Policies and Procedures exist to provide order, harmony, important protections, and a platform that will help you build a successful business when properly developed and supervised.

## **1. Purpose of Policies**

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FreeLife is a Direct Sales company that markets products and services through its Marketing Executives. It is important to understand that your success and the success of your fellow Marketing Executives is dependent upon the integrity of the men and women who market our products and services. To clearly define the relationship that exists between Marketing Executives and FreeLife and to explicitly set a standard for acceptable business conduct, FreeLife has established these Policies, which are incorporated into and form an integral part of your FreeLife Marketing Executive Agreement. The FreeLife Compensation Plan, the Independent Marketing Executive Application and Agreement ("Application"), FreeLife Internet Website online

terms and conditions, Privacy Policies, and these Policies, all in their current form and as amended by FreeLife at its sole discretion, together constitute the entire Agreement between Marketing Executives and FreeLife. These documents shall be collectively referred to throughout as the "Agreement."

## **2. Changes to the Marketing Executive Agreement, Policies and Procedures, or Compensation Plan**

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(Rev. Effective May 3, 2010)

Because the law and the business environment periodically change, FreeLife reserves the right to amend its Policies and Procedures, the Compensation Plan, website terms and conditions, Privacy Policies, product offerings and prices, or any other part of the program at its sole discretion, at any time for any reason. By signing the Application, or in the case of an online Application by clicking on "I Accept", the Marketing Executive indicates agreement with the terms and conditions of the Agreement and agrees to abide by all amendments or modifications that FreeLife elects to make to the Agreement. Notification of amendments shall be issued in official FreeLife materials, which may include FreeLife's newsletters, by posting amendments on the Company's Internet Website, via company email, or through special mailings or inserts into product orders. Amendments shall be effective upon publication on the Company Internet Websites. The continuation of a Marketing Executive's FreeLife business or a Marketing Executive's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

## **3. Waiver**

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FreeLife never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a FreeLife business. No failure of FreeLife to exercise any right or power under the Agreement or to insist upon strict compliance by a Marketing Executive 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 FreeLife's right to demand exact compliance with the Agreement. Waiver by FreeLife can be affected only in writing by an authorized officer of the Company. FreeLife's waiver of any particular

breach by a Marketing Executive shall not affect or impair the Company's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Marketing Executive. Any delay or omission by FreeLife to exercise any right arising from a breach shall not affect or impair FreeLife's rights as to that or any subsequent breach.

#### **4. Severability**

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If any provision of this Agreement is determined to be invalid or unenforceable for whatever reason, such limited portions of the provision that are unenforceable shall be fully severable from this Agreement and the remaining terms shall remain in full force and effect and be construed as if such invalid or unenforceable provision never comprised a part hereof. Furthermore, in lieu of such invalid or unenforceable provision there shall be added in its place a provision as similar in its terms to the invalid or unenforceable provisions as may be possible and legal, valid and enforceable.

#### **5. Marketing Executive Status**

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Marketing Executives are independent contractors and are not purchasers of a franchise. The agreement between FreeLife and its Marketing Executive does not create an employer/employee relationship, agency, partnership, or joint venture between FreeLife and the Marketing Executive. A Marketing Executive shall not be treated as an employee of FreeLife for his or her services for any reason, including but not limited to Federal or State tax purposes, or for purposes of the Federal Insurance Contributions Act, the Social Security Act, State Unemployment Act, or State Employment Act. The Marketing Executive has no authority (expressed or implied) to bind the company to any obligation. Marketing Executives shall not incur any debt, expense, obligation, or open any bank account on behalf of, for, or in the name of FreeLife. Marketing Executives are solely responsible for paying all expenses incurred pursuant to operating their businesses, including but not limited to travel, food, lodging, secretarial, office, telephone, and other expenses.

#### **6. Marketing Executive Limitation**

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No individual may own, operate, or participate in more than one FreeLife business at a time. A Marketing Executive who is a member of a corporation, partnership, or other entity that owns or operates a FreeLife business may not apply to become a Marketing Executive on an individual basis or through another business. In addition, a husband and wife cannot have Individual Marketing Executive accounts. They may hold a joint account in a FreeLife business in which case both parties must agree to the terms and conditions of the Agreement by one party clicking on "I Accept" on the joint online Application. Only one FreeLife business is permitted per household. Requests for exceptions to this policy can be submitted to the FreeLife Compliance Department and will be reviewed on a case-by-case basis.

#### **7. Executing and Renewing a Marketing Executive Agreement**

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Although a Marketing Executive may initially submit an Application by fax or online, for federal income tax purposes, no commission will be paid until a complete Application is received in writing or pursuant to an internet application providing all requested information, including a social security or appropriate tax identification number. The Company reserves the right to reject any application to become a FreeLife Marketing Executive. Applicants must satisfy all of the following:

- A. Be age of majority in the state in which they distribute FreeLife products or services;
- B. Reside in the United States or U.S. Territories and Military installations;
- C. Have a valid United States Social Security or Federal Tax ID Number and submit it on the Marketing Executive Application and Agreement;
- D. Submit a properly completed Application to FreeLife (this can be either a hard-copy agreement or an online agreement.). The Application shall be completed and the terms and conditions of the Agreement accepted by the individual who shall be operating the business, or his or her legal representative. If someone other than the individual who will be operating the business completes the Application on behalf of the applicant, an original, notarized Power of Attorney must be submitted to the Company;
- E. Purchase, at cost, the Marketing Executive Business Kit, which includes product and

business information and ongoing updates throughout the year; and

F. Earn commissions from FreeLife.

## **8. Marketing Executive Benefits**

Once FreeLife has accepted a Marketing Executive Application and Agreement or renewal, the benefits of both the Compensation Plan and the Marketing Executive Agreement are available to the Marketing Executive. These benefits include the right to:

- A. Purchase FreeLife products and services.
- B. Retail FreeLife products and make a profit. (A Marketing Executive who elects to retail FreeLife products must have a valid sales tax exemption or reseller's certificate on file with FreeLife before selling products.)
- C. Enroll other individuals as Customers or Marketing Executives and thereby build a Marketing Organization.
- D. Participate in the FreeLife Compensation Plan (receive bonuses and commissions, if eligible).

## **9. Ethics, Compliance with Applicable Laws**

Each Marketing Executive shall abide by all federal, state, county, or local laws, and will conduct his or her FreeLife business with integrity and honesty. Unethical or dishonest business practices; failure to abide by all applicable laws; and making false or misleading statements regarding the Company, its products, compensation plan or other opportunities shall be grounds for immediate disciplinary action.

## **10. Non-disparagement**

(Rev. Effective March 9, 2010)

During the term of this Agreement and for a period of 12 calendar months following the termination of a Marketing Executive's Agreement for any reason, a Marketing Executive shall not disparage FreeLife in any way, including, but not limited to, FreeLife's products or services, the Compensation Plan Company employees, other Marketing Executives or Customers or any other aspect concerning FreeLife to other Marketing Executives or third parties. "Disparage" shall mean making statements, whether true or false, that discredit or detract from the reputation of FreeLife, its products or services, Compensation Plan,

employees or Marketing Executives or that present FreeLife, its products or services, Compensation Plan, employees or Marketing Executives in a negative light. Any questions, suggestions or comments regarding these issues should be directed in writing to FreeLife's Corporate Offices only.

## **11. Indemnity Agreement**

(Rev. Effective October 16, 2009)

In the conduct of a Marketing Executive's business, each Marketing Executive shall refrain from all conduct that might be illegal, or harmful to the reputation of FreeLife, its employees or its products, including but not limited to, conduct inconsistent with the public interest that is discourteous, deceptive, misleading, unethical or immoral. Each Marketing Executive shall:

A. Hold harmless and indemnify FreeLife for any claims, damages and/or other liabilities, including attorneys' fees and costs incurred by FreeLife, arising out of the Marketing Executive's business practices, including such Marketing Executive's breach of any terms of these Policies and Procedures; and

B. Specifically authorize FreeLife to offset any such claims, costs, expenses, damages or liabilities against any and all commissions payable to such Marketing Executive. Each Marketing Executive found to be engaged in unethical, deceptive or misleading practices can be subject to disciplinary action up to and including termination of their Marketing Executive Agreement.

## **12. Policy Interpretation and Seeking of Legal Advice**

If a Marketing Executive has a question regarding interpretation of FreeLife Policies and Procedures, the Marketing Executive should direct such questions to the FreeLife Compliance Department at [compliance@freelife.com](mailto:compliance@freelife.com). Advice rendered by the Compliance Department may be relied upon for purposes of complying with the Policies and Procedures but shall not be construed as "legal advice" regarding any legal issues. Marketing Executives, if they need or are seeking legal advice, should consult with independent legal counsel of their own selection.

### **13. FreeLife Identification Number**

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Upon enrollment, the Company will provide a unique FreeLife Identification Number to the Marketing Executive and/or Customer by which he or she will be identified. This number will be used to place orders, indicate Sponsor and Enroller, and to track commissions and bonuses.

### **14. Sign Up by Phone**

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A Sponsor, Enroller, or the new Marketing Executive may call the FreeLife Home Office during regular business hours to receive a FreeLife Identification Number. The caller must be able to provide all necessary Marketing Executive Information over the phone, such as Social Security or Federal ID Number, sponsor information, shipping address, and proper method of payment. A new Marketing Executive who applies by telephone must purchase the Business Kit. If a Marketing Executive applies by telephone, they must submit a signed hard copy of the Agreement or go online to their FreeLife.com site, review the Agreement and click on the "Agree" button.

### **15. Adherence to the FreeLife Compensation Plan**

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Marketing Executives must adhere to the terms of the FreeLife Compensation Plan as set forth in official FreeLife literature. Marketing Executives shall not offer the FreeLife opportunity through, or in combination with any other system, program, or method of marketing other than that set forth in official FreeLife literature unless approval is given by FreeLife. Marketing Executives shall not require, encourage or recommend other current or prospective Customers or Marketing Executives to participate in FreeLife in any manner that varies from the program as set forth in official FreeLife literature (which includes material on FreeLife's Website), nor require, encourage or recommend the purchase of any product or service, or payment of any fee not specified in the FreeLife Compensation Plan.

### **16. Sponsoring and Enrolling**

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All Marketing Executives in good standing have the right to sponsor and enroll others into FreeLife. Each prospective Customer or Marketing Executive has the ultimate right to choose his or her own Enroller. If 2 Marketing

Executives claim to be the Enroller of the same Marketing Executive, the first application (signed hard copy or online) received by FreeLife shall be controlling.

### **17. Cross-Line Sponsoring**

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Actual or attempted cross-line sponsoring is strictly prohibited. "Cross-line sponsoring" is defined as the enrollment of an individual or entity that already has a Customer or Marketing Executive Agreement on file with FreeLife with a different Sponsor or Enroller. The use of a spouse or relative's name, trade name, d.b.a., assumed name, corporation, partnership, trust, Federal ID Number or fictitious ID number, or any other device or contrivance to circumvent this policy is strictly prohibited. A Marketing Executive shall not demean, discredit, or defame other FreeLife Marketing Executives in an attempt to entice another Customer, Marketing Executive or prospective Marketing Executive to become part of his or her Organization.

### **18. Territories and International Marketing**

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There are no exclusive sales territories for selling products and services or promoting the opportunity. FreeLife Marketing Executives must limit the resale of FreeLife products and services and the presentation of the FreeLife business to prospective Customers and Marketing Executives located in those countries and territories that FreeLife has identified as open for business in official Company literature. Marketing Executives must confine their sale and promotion of FreeLife products to those products that FreeLife makes available for sale in the country in which they are operating. Under no circumstances shall a Marketing Executive export FreeLife products across international borders. Such activity is prohibited by law and will result in disciplinary sanctions by FreeLife, as well as possible legal consequences imposed by the country involved.

### **19. Organization Reports Confidential**

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All Organization Reports (sometimes referred to as "Genealogy Reports") and the information contained therein, including, but not limited to, Marketing Executives identity, Marketing Executives lists, Marketing Executives compensation, Customer's identities, Customer lists, and Customer requirements, whether in hard-copy form or available online, are

confidential and constitute proprietary information and business trade secrets belonging to FreeLife ("Confidential Information"), provided to Marketing Executives in strictest confidence and are made available to Marketing Executives for the sole purpose of assisting Marketing Executives in working with their respective Marketing Organizations in the development of their respective FreeLife businesses. Each Marketing Executive and FreeLife agrees that, but for this agreement of confidentiality and nondisclosure, FreeLife would not provide Confidential Information to the Marketing Executives. Except as expressly authorized by FreeLife's prior written consent, a Marketing Executive, during the term of his/her association with FreeLife and thereafter, shall not:

A. at any time, in any fashion, form, or manner, either directly or indirectly, divulge, disclose, or otherwise communicate Confidential Information to any person, firm, corporation, or other entity in any manner whatsoever;

B. at any time, in any fashion, form, or manner, either directly or indirectly, use or exploit Confidential Information for his/her/its own benefit or the benefit of others, other than for the purpose of promoting his or her FreeLife business;

C. Recruit or solicit any Marketing Executive or Customer of FreeLife listed on any report, or in any manner attempt to influence or induce any Marketing Executive or Customer of FreeLife, to alter their business relationship with FreeLife. Upon demand by the Company, any current or former Marketing Executive will return the original and all copies of Organization Reports, including but not limited to those that have been mailed, faxed, downloaded from the FreeLife Website, or received via email, to the Company and certify that no copy or partial list of any information contained in the genealogy reports have been retained by the Marketing Executive or provided to any third party.

During the term of his/her association with FreeLife and thereafter, a Marketing Executive must always:

A. hold the Confidential Information in trust solely for the benefit and use of FreeLife; and

B. maintain with a reasonable degree of care, the confidentiality and security of the Confidential Information in his/her/its possession and to protect against disclosure, misuse,

misappropriation or any other action inconsistent with FreeLife's rights.

## **20. Ordering**

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### **A. Advantage Customers**

Under FreeLife's Advantage Customer Program, an individual may sign up to have a pre-selected package of FreeLife goods delivered to his or her home automatically each month (the "Advantage Order"). If the Advantage Customer signs up for FreeLife's AC100 contingent program and places an order or orders totaling 100 points by the 20th of each month (before the pre-selected orders are processed), the Advantage Order will not be shipped. In this case, the Customer will receive a 30% discount off the retail price. Advantage Customers who sign up for the AC100 monthly program will receive their order regardless of whether an order is placed during the month.

### **B. Preferred Customers**

If a Marketing Executive and/or Customer choose not to participate in FreeLife Advantage Customer Program, they can still purchase FreeLife products as a Preferred Customer. In this case they receive a 20% discount off the retail price.

### **C. Purchasing FreeLife Products**

Each Marketing Executive should purchase his/her products directly from FreeLife. If a Marketing Executive purchases products from another Marketing Executive or any other source, the purchasing Marketing Executive will not receive the Personal FreeLife Points production that is associated with that purchase.

### **D. General Order Policies**

Upon the receipt of a mail order with an invalid or incorrect payment, FreeLife will attempt to contact the Marketing Executive by phone and/or mail to try to obtain another payment. If these attempts are unsuccessful after 5 working days, the order will be returned unprocessed. No C.O.D. orders will be accepted. FreeLife maintains no minimum order requirements. Orders for products and sales aids may be combined.

### **E. Shipping Policy**

FreeLife will make every attempt to ship products within 24 hours of receipt of orders, but under

normal circumstances, product will be shipped not later than 3 days after receipt of order.

#### F. Confirmation of Order

A Marketing Executive or Customer must confirm that the products received match the products listed on the shipping invoice and are free of damage. Failure to notify FreeLife of any shipping discrepancy or damage within 30 days of shipment will cancel a Marketing Executive's right to request a correction.

#### G. End of Month Orders

All orders must be received by the close of business on the last business day of the month to count for that month. Also, online orders must be completed prior to 12:00 a.m. ET (U.S.) on the last business day of the month, any orders received after that time will count toward the following month.

### **21. Payment**

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#### A. Checks and Electronic Funds Transfer (EFT/ACH) over \$300

FreeLife reserves the right to hold any order paid by check or electronic funds transfer (EFT/ACH) until receipt of confirmation of payment has cleared the bank.

#### B. Insufficient Funds

It is the responsibility of each Marketing Executive or Customer to ensure that there are sufficient funds or credit available in his/her account to cover any orders placed and to cover Advantage Customer Program orders. FreeLife will not contact Marketing Executive or Customers concerning orders cancelled due to insufficient funds or credit. As a result of insufficient funds or credit, a Marketing Executive's order may not be processed and the Marketing Executive may fail to meet his or her Personal FreeLife Point production requirement for the month. This action may also result in a commission adjustment. If there are insufficient funds or credit for 2 consecutive months on Advantage Customer Program ("ACP") orders, the ACP may be cancelled

#### C. Returned Checks and Dishonored Electronic Funds Transfers

All checks and dishonored electronic funds transfers returned by a Marketing Executive's or Customer's bank for insufficient funds will be resubmitted for payment. A \$25 processing fee

will be charged to the account of the Marketing Executive or Customer. After receiving a returned (dishonored) check or EFT/ACH, all future orders must be paid by credit card, money order, or cashier's check. Any outstanding balance owed to FreeLife by a Marketing Executive or insufficient funds and processing fees will be withheld from subsequent bonuses, commission checks, and product returns.

#### D. Restrictions on Third Party Use of Credit Cards and Checking Account Access

Marketing Executives shall not permit third parties or Customers to use their credit cards, or permit debits to their checking accounts to enroll or to make purchases from the Company without written authorization. A Marketing Executive may not pay for products, services, or sales aids for other Marketing Executives, or enroll new Marketing Executives in FreeLife or the AC100 Program without the Marketing Executive's or Customer's express permission. All outstanding balances must be paid in full before additional orders can be placed. FreeLife does not accept third party checks.

### **22. Bonuses and Commissions**

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(Rev. Effective May 3, 2010)

There is only one commissionable event for FreeLife Marketing Executives: the sale of FreeLife products. No commissions are earned by merely enrolling new Marketing Executives. Compensation will consist solely of commissions, overrides, and/or bonuses related to the sale of FreeLife products. FreeLife reserves the right, at its complete and sole discretion, to modify the Compensation Plan at any time and for any reason.

#### A. Bonus and Commission Qualifications

A Marketing Executive must be active and in compliance with the Agreement to qualify for bonuses and commissions. As long as a Marketing Executive complies with the terms of the Agreement, FreeLife shall pay commissions to such Marketing Executives in accordance with the FreeLife Compensation Plan. Marketing Executive agrees that if he: (i) does not cash any commission check or draft within 6 months of the date of issuance; or (ii) claim any direct deposit payment within 6 months of the date of payment, such payment shall be invalid and not earned in compliance with FreeLife's policies. Consequently, such payment shall be deemed

null and void and shall be removed from the Marketing Executive's account.

#### B. Adjustment for Returned Products and Non-Payment

Marketing Executives receive bonuses and commissions based on the actual sales of products to end consumers. When a product is returned to FreeLife for a refund or is repurchased by the Company, the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted from the Marketing Executives that received bonuses and commissions based on the sale of the returned or repurchased product(s) in the month in which the refund is given and continue every pay period thereafter until the commission is recovered.

#### 23. Payment Information, Organization Reports, and Records

A data processing fee is charged for the processing of monthly commissions. The fee is 1.5% of the total commission with a minimum charge of \$1.50 and a maximum charge of \$750. The fee is deducted from the monthly commission. FreeLife will not issue checks below \$5.00. Additional Organization Reports may be purchased at anytime for \$5.00 for the first 500 names and \$0.01 for each additional name thereafter. Any commission check that is outstanding for over 6 months from its issuance date will be deemed null and void and the Marketing Executive's interests in or right to such payments will be forfeited.

Commissions are mailed or direct deposited on the 15th of each month for commissions earned during the previous month. If the 15th falls on a holiday or weekend, direct deposits will be processed the following business day. Depending upon the receiving bank, direct deposits may take 2-3 business days to post to the account holder's account.

Organization Reports and Commission statements are posted to the website on the 15th of each month. If the 15<sup>th</sup> falls on a holiday or weekend, the Commission statement will be posted on the following business day.

Any request from a Marketing Executive for copies of Invoices, submitted applications and commission check statements will require a fee of \$1.00 per page. FreeLife will only retrieve up to 6 months of past records.

#### 24. Actions of Household Members or Affiliated Individuals

If any member of immediate household, including but not limited to husband, wife, minor children or others cohabitating, or business in which the Marketing Executive has an interest, engages in activity which, if performed by the Marketing Executive, would violate any provision of the Agreement, such activity will be deemed a violation by the Marketing Executive and FreeLife may take disciplinary action, pursuant to the Agreement, against the Marketing Executive, including termination of his/her Marketing Executive Agreement. Similarly, if any individual associated in any way with a corporation, partnership, trust, or other entity (collectively "affiliated individual") violates the Agreement, such action(s) will be deemed a violation by the entity, and FreeLife may take disciplinary action against the entity.

#### 25. Unauthorized Claims and Actions

##### A. Product Claims

No claims as to therapeutic or curative properties of any products offered by FreeLife may be made except those contained in official FreeLife literature. In particular, no Marketing Executive may make any claim that FreeLife products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any disease or condition. This also includes personal testimonials attesting to the curative, or disease treatment, or prevention effects of FreeLife's products. Such statements can be perceived as medical or drug claims. Not only do such claims violate the policies of FreeLife, they may also violate federal laws and regulations including those administered by the United States Food and Drug Administration.

##### B. Income Claims

FreeLife is committed to ensuring that its marketing opportunity is fairly and accurately presented to the public. A Marketing Executive therefore must not make any false, misleading, or deceptive claims about their or other persons' FreeLife income. If, when presenting the FreeLife business opportunity, a Marketing Executive makes any expressed or implied claim regarding actual or potential compensation from FreeLife, the Marketing Executive must also show the prospective Marketing Executive the most recent

FreeLife Annual Income Statistics, which can be found on FreeLife.com. Examples of expressed income claims include, but are not limited to: "I made \$XXXX from my FreeLife business last month" or "John's FreeLife check was \$XXXX last month." Examples of implied income claims include, but are not limited to: "John just bought a new car with his FreeLife income"; "You can quit your job with your FreeLife Income"; or "With your FreeLife income, you can retire 10 years early." The Annual Income Statistics must also be presented with any hypothetical income projections or models used to illustrate the operation of the Compensation Plan. (No income claims are allowed in Massachusetts and Wyoming.)

### C. Trade Shows, Expositions, and Other Sales Forums

Marketing Executives may display and/or sell FreeLife products and promote the FreeLife opportunity at professional trade shows and expositions ("Trade Show"). Marketing Executives wishing to participate in a Trade Show must notify FreeLife of their intention to attend a particular event. Such notifications will be done online by logging in to "My Account". The Marketing Executive should first consult the Trade Show Calendar to determine if any other Marketing Executive has already booked the event. If the event is not shown on the Trade Show Calendar, the Marketing Executive may click on "Submit Trade Show". After reading and agreeing to the Trade Show Participation Agreement, the Marketing Executive may enter the Trade Show information including the name, date, and location of the event. Although we ask that only one FreeLife business should sign up for each event, the number of FreeLife Marketing Executives attending a particular Trade Show is ultimately at the sole discretion of the event organizers.

Marketing Executives shall not apply to attend swap meets, garage sales, flea markets, farmer's markets, or other similar events, as these events are not conducive to the professional image FreeLife wishes to portray and various local laws often prohibit the sale of nutritional products at such events. FreeLife further reserves the right to refuse authorization to participate at any Trade Show it deems unsuitable for the promotion of FreeLife's products, services, or opportunity ("FreeLife Products"). In the event that a Marketing Executive participates in a Trade Show without the permission of FreeLife, FreeLife has

the right to require the Marketing Executive to withdraw from the event.

The FreeLife Products presented at Trade Shows must be exclusively FreeLife products, services, or opportunity. No other products or services may be displayed or sold in conjunction with FreeLife Products.

FreeLife does not provide liability or other insurance coverage that is sometimes required to participate in such Trade Shows. Such coverage, if necessary, is the responsibility of the Marketing Executive.

Only FreeLife approved signage, literature, promotional material, and advertising may be used at Trade Shows. Marketing Executives must be identified as Independent FreeLife Marketing Executives.

### D. Restrictions on International Marketing

Marketing Executives may only Carry on Business in countries in which FreeLife currently operates. "Carry on Business" shall mean Marketing Executives selling, transferring, importing, exporting or distributing FreeLife products or sales aids in any country, and providing products to any individual who the Marketing Executive knows or has reason to believe is exporting products to a country. Marketing Executives and Customers may not ship or sell FreeLife products across any international border for the purpose of resale since these products are not appropriately labeled for the country of their destination and are not authorized for sale in the foreign country.

## **26. Manipulation of the Compensation Plan**

(Rev. Effective March 9, 2010)

Marketing Executives are prohibited from purchasing products or in any other way manipulating enrollments or purchases, solely for the purpose of qualifying for commissions, bonuses, or advancement under the Compensation Plan. Marketing Executives are not required to make any purchase or maintain an inventory of any kind in order to qualify for the FreeLife Compensation Plan. Marketing Executives may not encourage others to manipulate the compensation plan or inventory load.

## **27. Product Sales to End Consumers**

The FreeLife Marketing and Compensation Plan is based upon the sale of FreeLife products and services to end Consumers. Marketing Executives must fulfill personal and organizational FreeLife Point requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions, and advancement to higher levels of achievement. The following sales requirements must be satisfied for Marketing Executives to be eligible for commissions:

A. In order to retain their Organization, Marketing Executives must have personal points of at least 35 FreeLife Points (FP) every other month. Failure to have personal points of at least 35 FP for 2 consecutive months will result in the permanent roll up of their Organization to the first level of the Marketing Executive who is currently listed as their Sponsor, and thereafter will roll up as stated in FreeLife's policy # 46A.

B. Failure to have personal FreeLife Points for 6 consecutive months will result in termination of the Marketing Executive Agreement.

C. The FreeLife marketing program is built on sales to the end consumer. In order to qualify for commissions, at least 70% of Marketing Executive's monthly personal FreeLife Points must be consumed by the end consumer each month. Each order placed by the Marketing Executive constitutes the Marketing Executive's certification to FreeLife of the foregoing. Any device or scheme whereby a Marketing Executive directly or through a third party purchases excess product for purposes of qualifying for bonuses, commissions, or contests may constitute fraud on the part of the Marketing Executive. Marketing Executive acknowledges FreeLife is relying on the foregoing certification in paying commissions.

D. Marketing Executives that resell FreeLife products are required to furnish their personal retail Customers with 2 copies of an official FreeLife Retail Receipt at the time of the sale. (Only Marketing Executives with sales tax resale or exemption certificates on file with the Company may inventory and retail products.) The Retail Receipt sets forth consumer protection rights afforded by federal or state law. Marketing Executive must maintain a copy of all Retail Receipts for a period of 2 years and furnish them to FreeLife at the Company's request. FreeLife will maintain records documenting the purchases

of Marketing Executive and Advantage Customers. Authorized Retail Receipts may be downloaded in the Marketing Executive's back office.

## **28. Advertising Policy**

### **A. General Policy**

The Advertising Policy of FreeLife is designed to protect long-term business growth and to make FreeLife a long-term opportunity for our Marketing Executives. In the conduct of his/her business, a Marketing Executive shall safeguard and promote the reputation of FreeLife and its products. Therefore, all advertising material produced by a Marketing Executive must first be submitted to FreeLife's Compliance Department at [compliance@freelife.com](mailto:compliance@freelife.com) for approval 30 days prior to its intended use. If FreeLife does not issue written approval of the advertising material to the Marketing Executive within 10 days from the date on which the Marketing Executive submitted the material, the request for approval shall be considered denied and the Marketing Executive shall not use the material.

### **B. Trademarks/Copyrights**

The FreeLife name, product names, and other names that may be adopted by FreeLife are proprietary trade names, trademarks, and service marks of FreeLife. As such, these marks are of great value to FreeLife and are supplied to Marketing Executives for their use only in an expressly authorized manner. Each Marketing Executive, upon becoming a distributor, is granted a limited, non-exclusive revocable license to use such marks, so long as the use is in compliance with this Agreement. Use of the FreeLife name or any product or service name on any advertising, promotion, or other material that is not produced by the Company is prohibited, unless approved in writing by FreeLife. However, Marketing Executives may use the FreeLife name in telephone book listings, on business cards, and on stationary as follows:

Marketing Executive's Name  
Independent FreeLife Marketing Executive

Use of FreeLife's copyrighted material is prohibited unless approved in writing by FreeLife's Compliance Department

### C. Use of Spokespersons' Names and Likenesses

Marketing Executives may use the names, likenesses, and book titles of spokespersons, in Marketing Executive produced advertising as well as on flyers to promote upcoming events provided they are submitted to and approved by FreeLife's Compliance Department. All materials must receive official FreeLife approval in writing prior to printing or publication.

### D. Internet Policy (Websites)

Marketing Executives may use websites that are designed and provided by FreeLife to promote their businesses. Only official FreeLife produced websites and those approved by FreeLife in writing shall be permitted. Marketing Executives may not promote FreeLife products, programs, services, or opportunities in conjunction with any non-FreeLife products, plans, services, or incentives. All sites that link to the official FreeLife-produced or approved websites must comply with FreeLife policies.

### E. Price Advertising

Marketing Executives may only advertise the suggested retail price or the Advantage Customer price. Discounts associated with shipping the products or any other special incentives or promotions associated with the sale of FreeLife products or services may not be promoted (i.e. Free Shipping, Lowest Price, Best Value, or Special Pricing). Marketing Executives who operate a Website that advertises and/or sells FreeLife products or services may not disclose any shipping discounts or other incentives until the Customer has made a decision to purchase and adds the FreeLife items to the shopping cart section of their Website.

### F. Spamming and Mass Faxes

Except as provided in this section, Marketing Executives may not use or transmit unsolicited faxes, mass email distribution, unsolicited email, or otherwise engage in "spamming" relative to the operation of their FreeLife businesses. The terms "unsolicited faxes," "unsolicited email," and "spamming" mean the transmission via facsimile or electronic mail, respectively, of any material or information advertising or promoting FreeLife, 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 or email: (a) to any person with that person's prior express invitation or permission; or

(b) to any person with whom the Marketing Executive 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 Marketing Executive and a person, on the basis of: (a) an inquiry, application, purchase, or transaction by the person regarding products offered by such Marketing Executive or the FreeLife income opportunity; or (b) a personal or family relationship that has not been previously terminated by either party. All email and fax messages must advise the recipient that he or she may request to be removed from the sender's mailing list by sending a reply by email or fax to the sender. The sender shall comply with all such requests.

### G. Sales Aids

To promote both the products and the tremendous opportunity FreeLife offers, Marketing Executive must use only the sales aids and support materials produced and/or approved by FreeLife. The rationale behind this requirement is simple: FreeLife has carefully designed its products, product labels, the Compensation Plan, and promotional materials in an effort to ensure that all aspects of FreeLife are fair, truthful, substantiated, and comply with federal and state laws and FreeLife's positive reputation. If FreeLife Marketing Executives develop their own sales aids and promotional materials, notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate statutes or regulations affecting a FreeLife business is almost certain. These violations would jeopardize the FreeLife opportunity for all Marketing Executives. Accordingly, Marketing Executives must submit all written sales aids, promotional materials, audio and video materials, advertisements, and other literature to FreeLife for approval at least 30 days prior to the date on which the Marketing Executive wishes to publish or release the material. Unless the Marketing Executive receives specific written approval to use the material, the request shall be deemed denied.

### H. Telephone Directory & Salutation

All Marketing Executives may list themselves as an "Independent FreeLife Marketing Executive" in the yellow or white pages of the telephone directory under their own name. No Marketing Executive may place telephone directory display ads using FreeLife's name or logo. Marketing

Executives may not answer the telephone by saying "FreeLife," "FreeLife International," or in any manner that would lead the caller to believe that he or she is a member of the FreeLife Home Office. Marketing Executives who list toll-free telephone numbers may not use the FreeLife name(s), logo(s), or product name(s) in conjunction with such listings. All telephone book listings must include the Marketing Executive's name followed immediately by the designation of "Independent FreeLife Marketing Executive."

#### I. Audio/Video Recording

Marketing Executives shall not directly or indirectly record or authorize anyone else to record Company events, FreeLife Marketing Executive events, speeches, telephone calls, or Conference Calls, nor may Marketing Executives reproduce for sale, or for personal use, any recording of Company-produced audio or videotape presentations. FreeLife reserves the right to record all events, speeches, telephone calls or conference calls.

#### J. Internet/Domain Names & Email Addresses

Marketing Executives may register the FreeLife Web address assigned to them with search engines. Marketing Executives shall not register, nor attempt to register, the name of any product or service offered by FreeLife, or any trademark or trade name used by FreeLife, as an Internet domain name, as part of any email address, blog name or online community/social network URL or user name. This applies to marks that are identical to those marks used by FreeLife in conjunction with its products and services as well as any marks that are similar in sound or spelling to FreeLife's marks.

### **29. Media and Media Inquiries**

A Marketing Executive must not attempt to contact or respond to the media regarding FreeLife, its products or services, or his/her independent FreeLife business. All inquiries by any type of media must be immediately referred to FreeLife's Marketing Department. This policy is designed to ensure that accurate and consistent information is provided to the public and to present a proper public image.

### **30. Meetings**

A Marketing Executive who sponsors a FreeLife event with any representative from the FreeLife Home Office in attendance must allow all current

and prospective FreeLife Customers and Marketing Executives the opportunity to attend. Only Company-produced literature can be used and the promotion of any particular group or organization is not permitted. The sponsoring Marketing Executive will allow all persons to attend for the same fee; regardless of whether other Marketing Executives who wish to attend are in the sponsoring Marketing Executive's organization. All Royal Ambassadors are required to sign the Royal Ambassador Training Program Agreement. Any Marketing Executive who hosts a corporate event is required to sign a Corporate Meeting Agreement.

### **31. Re-packaging and Re-labeling Prohibited**

Marketing Executives may not re-package, re-label, refill, or alter the labels on any FreeLife product, information, materials, or programs in any way. FreeLife products must be sold in their original containers only. Such relabeling or re-packaging is likely to violate federal and state laws, which could result in severe criminal penalties. In addition, civil liability could arise when, as a consequence of the re-packaging or re-labeling of products, the persons using the products suffer any type of injury or their property is damaged.

### **32. Conflict of Interest**

Building a successful FreeLife business requires commitment and consistent effort. This Policy is designed to protect the interests of those Marketing Executives who are building and growing their FreeLife organization. Marketing Executives may participate in other business ventures if they desire to do so. However, if a Marketing Executive elects to participate in another business venture, they must abide by the following:

A. During the term of this agreement, Marketing Executives are prohibited from actual or attempted recruitment or enrollment of Marketing Executives or Customers for other business ventures, either directly, indirectly (including but not limited to using websites or emails), or through a third party.

B. For 12 calendar months following the termination of a Marketing Executive's Agreement for any reason, the terminated Marketing Executive is prohibited from actual or attempted recruitment or enrollment of FreeLife Marketing Executives or Customers for other

business ventures, either directly, indirectly (including but not limited to using websites or emails), or through a third party.

C. During the period that their Independent Marketing Executive Agreements are in force and for a period of twelve months after the cancellation or termination thereof for any reason, Marketing Executives and all members of their Immediate Household are further prohibited from the following:

i) Recruiting or enrolling a FreeLife Customer or Marketing Executive for another business venture even if the Marketing Executive did not know the prospect is also a FreeLife Customer or Marketing Executive. Due to the fact that conflicts may arise if a Marketing Executive operates 2 or more business ventures, it is always the Marketing Executive's responsibility to first determine whether a prospect is a FreeLife Customer or Marketing Executive before recruiting or enrolling the prospect for another business venture.

ii) Producing any literature, audio recordings, webcasts, conference calls, emails, websites or promotional material of any nature for another business venture which is used by the Marketing Executive or any third person to recruit FreeLife Customers or Marketing Executives for that business venture. If a Marketing Executive operates other business ventures, the use of the Marketing Executive's name or likeness by any person or entity to promote such other business ventures is a violation of this policy.

iii) Offering any non-FreeLife products, services, or business plan at any FreeLife meeting, seminar, launch, convention, or other FreeLife function.

iv) Selling, offering to sell, or promoting any competing products or services to FreeLife Customers or Marketing Executives.

D. Because network marketers utilize the telephone and internet extensively in their businesses, and conduct business through a network of individuals dispersed worldwide, any attempt to limit the geographic scope of the non-solicitation provisions set forth above would render the non-solicitation provisions ineffective. Therefore, the geographic scope of the non-solicitation provisions shall include any country in which FreeLife operates.

E. Violation of any provision of Policy 32 constitutes a Marketing Executive's voluntary

resignation and cancellation of his/her Agreement, effective as of the date of this violation, and forfeiture by the Marketing Executive of all commissions or bonuses payable for and after the calendar month in which the violation occurred. If FreeLife pays any bonuses or commissions to the Marketing Executive after the date of the violation, all bonuses and commissions for and after the calendar month in which the violation occurred shall be refunded to FreeLife.

In addition to being entitled to a refund of bonuses and commissions and to any damages arising hereunder, in the event a person or entity violates Policy 32, FreeLife and any Marketing Executive that experiences an adverse financial impact as a result of such person's or entity's violation of this Policy 32 shall be entitled to an accounting and repayment of all remuneration, financial or other benefits which the person or entity directly or indirectly receives and/or may receive as a result of, arising out of, or in connection with any violation of this Policy. Such remedy shall be in addition to and not a limitation of any damages, or injunctive relief or other rights or remedies to which FreeLife is or may be entitled at law or in equity.

F. Because violations of this Policy are especially detrimental to the growth and success of other FreeLife Marketing Executive Businesses, FreeLife may seek and obtain from the violating Marketing Executive damages for violations of this Policy. If litigation or arbitration is undertaken to recover commissions, bonuses or damages as specified herein, the prevailing party shall be entitled to an award of attorney's fees and expenses.

### **33. Commercial Retail Outlets**

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FreeLife is a home-based business opportunity. To maintain a standard of fairness, Marketing Executives may not display or sell FreeLife products in retail establishments such as drug stores, health food stores, or grocery stores. FreeLife will allow products to be displayed at health clubs, salons, and at health professional locations. Any display of FreeLife products must be in a professional manner. FreeLife products may not be sold at swap meets, flea markets, garage sales, or internet auctions.

### **34. Continuing Development Obligations**

(Rev. Effective March 9, 2010)

#### **A. Increased Training Responsibilities**

As Marketing Executives progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and the FreeLife program. They will be called upon to share this knowledge with lesser-experienced Marketing Executives within their Organizations.

#### **B. Ongoing Sales Responsibilities**

Regardless of their level of achievement, Marketing Executives have ongoing obligations to continue to personally promote sales of FreeLife products through the enrollment of new Marketing Executives, Customers and to provide ongoing motivation, training and support of their organization. FreeLife reserves the option to establish whatever measurements it deems appropriate to assure compliance with this policy.

### **35. Exchange and Return Policy**

(Rev. Effective October 16, 2009)

#### **A. Customer Satisfaction Guarantee**

If for any reason a Customer is dissatisfied with any FreeLife product, he or she may return that product to FreeLife or the Marketing Executive from whom they purchased the product and request an exchange or credit on the FreeLife Customer's account for the amount of the purchase price of the product (less shipping and handling) if requested within 60 days from the date of purchase. All exchanges are final and the Customer shall be charged for the shipping and handling of the exchanged product. If the Customer does not desire to exchange products, the Customer may request a refund based on the purchase price (less shipping and handling). This request must be made in writing and include a copy of the invoice from FreeLife. The Customer shall pay return shipping and handling charges. Unless a Customer requests otherwise, FreeLife will credit the Customer's FreeLife account for the purchase of the returned product. This credit can be redeemed for FreeLife product at any time. If a Customer has unredeemed credit on account with FreeLife which is more than six months old, FreeLife will make an effort to locate the Customer and advise him/her of the credit that is on account. FreeLife will charge the Customer's

Account a \$10 monthly service fee for each month's notification process.

If for any reason a Marketing Executive is dissatisfied with any FreeLife product, and returns that product and requests a refund (instead of an exchange or credit) within 60 days from the date of purchase, this request will constitute the Marketing Executive's request to voluntarily cancel their Marketing Executive Agreement. The Marketing Executive's Agreement will be canceled and a refund issued based upon the price paid for the products (no refunds for shipping and handling costs). This request must be made in writing and include a copy of the invoice from FreeLife.

To discourage Marketing Executives from encouraging other Marketing Executives to purchase excess product for purposes of qualifying for commissions, FreeLife will charge back to each Marketing Executive any commissions, bonuses or other value paid on product returned by any Marketing Executive. The Marketing Executive shall pay return shipping and handling charges.

#### **B. Election to Cancel Agreements**

If a FreeLife Marketing Executive elects to cancel his or her Marketing Executive Agreement, the Company will issue a refund on all resalable products and sales aids that the Marketing Executive personally purchased from the Company within the immediately preceding 12 months. The refund shall be at a rate of 90% of the price paid for the products or sales aids (no refunds for shipping and handling costs). Products and sales aids shall be deemed "resalable" if: (a) the FreeLife product or sales aids, and their packaging, are in a condition that is commercially reasonable for FreeLife to resell the merchandise at 100% of its wholesale cost; and (b) the expiration date on the FreeLife product has not elapsed; and (c) the labeling on the FreeLife product is current; and (d) the FreeLife products or sales aids are unopened and the seals are unbroken (discontinued products and sales aids, and promotional items are nonrefundable); and (e) the FreeLife products or sales aids are in their original containers, and have not been damaged in any fashion. The Marketing Executive shall pay return shipping and handling charges. FreeLife will liberally apply its inventory return and refund rules, but FreeLife will not repurchase products or issue refunds on

products certified pursuant to the 70% Rule in subsection 27 C, as having been consumed by the end consumer. Falsely representing the amount of product consumed in order to advance in the compensation plan or contests shall be grounds for disciplinary action up to and including termination. To discourage any Marketing Executive from encouraging any other Marketing Executives to purchase excess product for purposes of qualifying for commissions, FreeLife will charge back to each Marketing Executive any commissions, bonuses or other value paid on product returned by any Marketing Executive.

#### C. Business Kit and Sales Aids Returns

Marketing Executives may return their Business Kits within 30 days from the date of their enrollment for a full refund. Thereafter, only resalable business kits may be refunded. Such refunds shall be according to subsection 35B. Marketing Executives may return sales aids for a full refund if they are in resalable condition, as defined in subsection 35 B within 60 days of purchase.

#### D. Special Packs, Promotions and Discontinued Products

Value Packs, Quick Start Packs, Express Packs, Combo Packs, and other special packs, including monthly specials, can be returned for an exchange or refund within 30 days from the date of purchase; however, an exchange will only be made for products of equal or lesser value. Value Packs, Quick Start Packs, and other special packs shall not be refunded unless the entire pack is returned (less shipping and handling). Special promotional products or discontinued products which the Company discloses prior to purchase are not subject to the refund or exchange obligation, may not be returned for exchange or refund by the Marketing Executive or Customer.

#### E. Abuse of the Return Policy

FreeLife reserves the right to terminate the Agreement of a Marketing Executive or the account of a Customer who abuses FreeLife's Exchange and Return Policy. Exchanges, credits and refunds are limited to one every 12 months.

### **36. Return Procedures**

(Rev. Effective October 16, 2009)

All products and sales aids must be returned by the Marketing Executive or Customer who purchased it directly from FreeLife. FreeLife must authorize all returns before they are shipped to the Company. Marketing Executives and Customers must contact the Customer Care Department at the FreeLife Home Office to obtain a Return Authorization ("RA") number. Returns must be shipped within 5 days of receiving the RA number. Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement or refund. All returns must be shipped to FreeLife pre-paid. FreeLife does not accept shipping collect packages. The risk of loss in shipping returned product and sales aids shall be borne by the Marketing Executive or Customer. If returned product or sales aid is damaged during shipment or is not received by FreeLife, it is the responsibility of the returning party to contact the shipper for reimbursement for damaged items or to trace the shipment. The return must include:

- A. RA number on the shipping carton;
- B. Copy of the invoice;
- C. Copy of the original dated retail receipt (if applicable); and
- D. The returned product in its original container.

### **37. Taxes**

#### A. Income Taxes

Each Marketing Executive is responsible for paying applicable local, state, and federal taxes on any income generated as an Independent Marketing Executive. If a FreeLife business is tax exempt, the Federal Tax Identification Number must be provided to FreeLife along with the certificate of exemption issued by the Federal government. Every year, FreeLife will provide IRS Form 1099 MISC (Non-Employee Compensation) earnings statement to each U.S. resident who falls into one of the following categories:

1. Had earnings (commissions, bonuses, prizes, awards) of \$600 or greater in the previous calendar year; or
2. Made purchases during the previous calendar year in excess of \$5,000. The Marketing Executive's social security number or Federal ID # must be correctly set forth on the front of the Independent Marketing Executive Application and Agreement as submitted, FreeLife will be indemnified for any and all expenses, fees, fines, settlements, or judgments (collectively "costs")

imposed upon the Company by any taxing authority as a result of any inaccurate information or non-filing situation that a Marketing Executive has provided. FreeLife will withhold any assessed sums from a Marketing Executive's bonus and commission checks, although FreeLife may, at its discretion, pursue other avenues of relief against the Marketing Executive to collect such sums if the Marketing Executive's bonus and commission checks are insufficient to cover the full amount of the costs.

#### B. Sales Taxes

In designing the FreeLife opportunity, one of our guiding philosophies has been to free Marketing Executives from as many administrative, operational, and logistical tasks as possible. In doing so, Marketing Executives are free to concentrate on those activities that directly affect their incomes, namely product sales and enrolling others that sell products. To these ends, FreeLife relieves Marketing Executives of the burdens of collecting and remitting sales taxes, filing sales tax reports, and keeping records relative to sales taxes.

By virtue of its business operations, FreeLife is required to charge sales taxes on all purchases made by Marketing Executives and Customers, and to remit the taxes charged to the respective states. Accordingly, FreeLife will collect and remit sales taxes on behalf of Marketing Executives based on the wholesale price of the products, according to applicable tax rates in the sales tax jurisdiction to which the shipment is destined.

In order to collect sales tax based on the wholesale price of the products rather than the suggested retail price, Marketing Executives may only purchase products for personal use unless they have a valid sales tax exemption or reseller's certificate on file with the Company. If a Marketing Executive has a valid sales tax certificate on file, no sales tax will be charged on sales to the Marketing Executive, and it shall be the Marketing Executive's responsibility to collect and remit the appropriate sales tax to the proper taxing jurisdiction when the products are resold to retail Customers.

Exemption from the payment of sales tax is applicable only to orders that 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 other states. Any sales tax exemption accepted by FreeLife is not retroactive.

### **38. Use of Marketing Executive's Name and Likeness**

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Each Marketing Executive agrees to permit FreeLife to use their personal story(ies), name(s), photograph(s), and/or likeness(es) including photos or videos taken at promotional events in any FreeLife promotional literature, and waive all rights and claims to remuneration for such use.

### **39. Errors**

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In case of errors or questions about commissions, orders, or charges, please notify the FreeLife Customer Care Department immediately. FreeLife will not be responsible for any errors, omissions, or problems not reported within 30 days of receipt.

### **40. Changes to the FreeLife Business, Address, and Telephone**

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#### A. General Business Changes

Each Marketing Executive must immediately notify FreeLife of all changes to information contained on his/her Marketing Executive Agreement and Advantage Customer Agreement. Marketing Executives may modify their existing Marketing Executive Agreement (i.e., change Social Security Number to Federal ID Number) by submitting a revised Marketing Executive Application and Agreement. The "Change Request" box at the top of the application must be checked.

#### B. Change of Address or Telephone

To ensure timely delivery of products, support materials, and commission checks, it is critical that FreeLife's files are current. If a Marketing Executive is planning to move, he or she should send the new address and telephone number to FreeLife's Home Office. To guarantee proper delivery, 2 weeks advance notice must be provided to FreeLife on all changes.

#### C. Advantage Customer Program Address and/or Payment Changes

If you are presently on the Advantage Customer Program, you must make the change online or submit a new Advantage Customer Application and Agreement. If more than one change notice or Advantage Application and Agreement has been submitted to FreeLife, the most recent one will supersede previous notices or Agreements.

Please allow 2 weeks after the receipt of the notice or Agreement by FreeLife for processing.

#### D. Addition or Deletion of Distributorship Owners

Marketing Executives may add or delete a secondary name to a FreeLife distributorship. The individual to be added must acknowledge their eligibility to do business in the country where the distributorship is located and accept the terms of the Agreement by submitting an Application. The "Change Request" box at the top of the Application must be checked. To remove an individual, FreeLife must receive written notification of the Marketing Executive's agreement to release their ownership and all rights to the distributorship, which must be signed and dated by the individual to be removed. Following any change of distributorship owners, no additional changes may be made to the distributorship ownership for a period of 6 months. A \$100 fee will be charged for all changes after the initial charge. Requests for exceptions to this policy can be submitted to the FreeLife Compliance Department and will be reviewed on a case-by-case basis.

### **41. Transfer of Sponsorship**

(Rev. Effective May 3, 2010)

Transfers requested for the purpose of qualification for advancement or achievement of a higher title will not be approved under any circumstances. Transfers will be considered in the following circumstances:

#### A. Within the Enrollment Month

Moves may be made within the enrollment month upon receipt of a new, completed and signed Marketing Executive Application and a signed letter of release from the current Enroller.

#### B. Within 60 Calendar Days of Enrollment

FreeLife provides Directors and above that are on the AC100, 60 days to move any new personally enrolled Marketing Executive. The Marketing Executive must be sponsored by the Director or above that enrolled him/her and cannot be moved beyond their fifth level in the Compensation Plan. Marketing Executives with 3,000 Organization points or more in the previous or current month will only be allowed to move within their Enroller's first three levels. Requests to move a Marketing Executive within the first 60 calendar days can be made online by the Enroller, or by submitting a completed 60-Day Transfer Request to the Home Office. This form

can be found online under FreeLife Documents and Forms.

Please note that within the first 60 calendar days from enrollment, to move Marketing Executive, beyond their Enroller's third level, requires 10 Upline signature approvals, and the signature approval of the Marketing Executive being moved. FreeLife, in its sole discretion, reserves the right to exclude from the required 10 Upline signature for such transfer requests, those Marketing Executives who are subject to the Leadership Performance monthly maximum set out in Section 48.

#### C. After 60 Calendar Days of Enrollment

After 60 calendar days of enrollment or when all of the requirements for a transfer within 60 calendar days of enrollment cannot be met, the following requirements must be met for a transfer to be considered. A completed Transfer Exception Form, 10 Upline signature approvals, and the signature approval of the Marketing Executive being moved, must be sent to the Home Office for approval. A \$100 transfer fee will be charged for these transfers. The Transfer Exception Form is available online under FreeLife Documents and Forms. Incomplete requests and those not submitted on this form will be denied. FreeLife, in its sole discretion, reserves the right to exclude from the required 10 Upline signatures for such transfer requests, those Marketing Executives who are subject to the Leadership Performance monthly maximum set out in section 48.

#### D. Fraudulent Inducement or Unethical Sponsoring by the Sponsor or Support Line

In cases of Fraudulent Inducement or Unethical Sponsoring by the Sponsor or Support Line, FreeLife in its sole discretion will determine if such fraudulent or unethical sponsoring has occurred. FreeLife will send notification of its decision within 30 days.

#### E. Marketing Executive Cancellation

If a Marketing Executive cancels his or her FreeLife Agreement and does not own, operate, or participate in any FreeLife business for 6 consecutive calendar months, that Marketing Executive may re-enroll under a new Sponsor and/or Enroller. There is no Company approval necessary in this situation, although the Company always reserves the right not to accept a new application.

## F. Benchmarking

A Benchmark is designated when, as the result of a sale of a distributorship or a transfer of a distributorship to a new sponsor, the new sponsor is in a position to advance in title and receive increased bonuses due to the additional volume he/she would gain as a result of a requested transfer. When the benchmark is placed, the new sponsor forfeits one or more Advancement Bonuses as well as the change to their high title (Ambassador and above) resulting from the transfer that could impact their contest qualifications and/or commission earnings on several bonus programs.

## **42. Sale or Assignment of FreeLife Business**

(Rev. Effective May 3, 2010)

Although a FreeLife business is a privately owned, independently operated business, the sale or assignment of the FreeLife business is subject to certain limitations. Prior to selling a FreeLife business, the selling Marketing Executive must notify FreeLife's Compliance Department of his or her intent to sell. If a Marketing Executive sells or assigns his/her FreeLife business, the following criteria must be met:

A. The buyer or seller must pay a transfer fee of \$250.00 to FreeLife.

B. The selling and buying Marketing Executives must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to buy, sell, or assign a FreeLife business.

C. The buyer must become a qualified FreeLife Marketing Executive before becoming eligible for a purchase, assignment, or acquisition of any interest in the FreeLife business.

D. The selling Marketing Executive will not be eligible to participate in the FreeLife Compensation Plan for a period of 6 calendar months after the sale.

E. If the buyer or an immediate household family member of the buyer already owns a FreeLife business, the buyer or immediate household family member must relinquish his or her current business by terminating his or her existing FreeLife Marketing Executive Agreement or transferring it to someone other than a household member, and the buyer may have no operational, managerial, or financial interest whatsoever in

the original business. The buyer may then buy a new FreeLife business without 6 months of inactivity.

F. The seller and buyer acknowledge that for a period of 1 year after the sale, any conduct of the seller that would violate the Marketing Executive Agreement, if seller was still a Marketing Executive, shall be imputed to buyer and may be grounds for termination. Level limitations exist below the Ambassador level to comply with various state and federal laws governing direct selling and to maintain a higher leadership level. While the policy allows for a 12-month grace period for new accounts, the grace period does not apply to accounts attained through a business sale or assignment (see Policy 48). In addition, if a benchmark title exists on the account being sold or assigned, the same benchmark will apply for the buyer.

G. Being an effective and credible leader in FreeLife can only come about if you have built your own FreeLife business. Therefore, FreeLife businesses that have or have had total 10 level points of 5,000 or more can only be sold or assigned in rare and special circumstances, as determined solely by FreeLife, because such transfer would constitute the purchase of a leadership position.

All sales and assignments of a FreeLife Business are subject to final written approval by FreeLife and are effective solely upon confirmation by FreeLife. Please allow 30 days for review. FreeLife will send notification of the decision. No transfers will take place after the 25th of each month. Any request received after the 25th of a given month will be considered in the next month.

## **43. Succession**

Upon the death of a Marketing Executive, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to FreeLife to ensure the transfer is proper. Required documentation includes: 1) a death certificate; 2) a notarized copy of the deceased Marketing Executive's will or trust document; 3) letters testamentary appointing the executor of the estate; 4) written instructions on the disposition of the deceased Marketing Executive's FreeLife business from the executor or administrator of the estate; and 5) a completed Marketing Executive Application and Agreement agreed to by the beneficiary. This must be done

within 6 months of death by the successor; otherwise, the Marketing Executive Agreement will be cancelled. If the deceased Marketing Executive bequeaths his or her FreeLife business to multiple heirs, the heirs must form a business entity to operate the business. Under no circumstances will FreeLife divide an organization or monthly commission and bonus checks among multiple parties. The Company will issue a single check to the business entity created by the deceased's heirs.

#### **44. Divorce or Dissolution**

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If spouses operating or having an ownership interest in a FreeLife business divorce or if a business entity operating a FreeLife business dissolves or ceases its existence, FreeLife will continue to pay commissions and issue awards and recognition, according to the status quo, as it existed prior to institution of the divorce or dissolution proceedings. No changes to the FreeLife business, or payees on the commission check, shall be permitted during the pending divorce or dissolution proceedings. Once the divorce is finalized, FreeLife will place the business in the name of the spouse who is entitled to receive it according to a court's divorce decree or a final property settlement agreement. In the case of business entity dissolution, the business shall be transferred into the name of the individual who is entitled to operate it according to the agreement settling and winding up business affairs. Any person who was involved in any way with the business that has been dissolved and who will no longer be associated with the FreeLife business, shall not be able to apply to become a FreeLife Marketing Executive until 6 months after the dissolution. It shall be the responsibility of the individual receiving the FreeLife distributorship to provide FreeLife with a certified copy of the property settlement agreement, divorce decree, or other dissolution agreement. Under no circumstances will FreeLife divide the Organization, or issue separate commission and bonus checks to the spouses or business affiliates.

#### **45. Titles Not Forfeited**

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A Marketing Executive can lose his/her paid status and therefore the right to participate in the corresponding commission and bonus if he/she no longer qualifies for the commission or bonus pertaining to such status. However, as long as a Marketing Executive remains active, he/she will

not forfeit the title of the highest status he/she has achieved.

#### **46. Inactivity, Cancellation and Account Administration**

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##### A. Roll Up

When a vacancy occurs in a Marketing Organization due to the non-renewal, voluntary resignation, involuntary cancellation, or 2 consecutive months of inactivity of a Marketing Executive, each Marketing Executive in the first level below the cancelled Marketing Executive (a "First Level Marketing Executive") will roll up into the position of the cancelled Marketing Executive. Provided, however, no roll up shall occur until FreeLife has recouped any costs or damages resulting from the cancelled Marketing Executives conduct.

##### B. Effect of Cancellation and Roll Up

A Marketing Executive's bonuses and commissions constitute the entire consideration for the Marketing Executive's efforts in generating sales and all activities related to generating sales (including but not limited to building a Marketing Organization). Following the non-renewal of a Marketing Executive Agreement (non-renewal may be at the discretion of either the Marketing Executive or the Company), a Marketing Executive's cancellation for inactivity, or the voluntary or involuntary cancellation of an Marketing Executive's Agreement (all of these methods are collectively referred to as "cancellation"), the former Marketing Executive shall have no right, title, claim or interest to the Marketing Organization that he or she operated prior to the cancellation, or to any commission or bonus from the sales generated by the Organization. Marketing Executives waive all rights and claims, including but not limited to property rights that they may have to the Marketing Organization. Following a Marketing Executive's cancellation of his or her Marketing Executive Agreement, the former Marketing Executive shall not hold himself or herself out as a FreeLife Marketing Executive and shall not have the right to sell FreeLife products or services. A Marketing Executive whose Marketing Executive Agreement is cancelled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation). All cancelled Marketing Executives

shall remain in the FreeLife database and will be removed as stated in policy 46F.

#### C. Involuntary Cancellation

A Marketing Executive's violation of any of the terms of the Agreement, including any amendments that may be made by FreeLife in its sole discretion, may result in any of the sanctions listed in section 49, including the involuntary cancellation of his or her Marketing Executive Agreement. Involuntary cancellation shall be effective on the date on which the policy violation occurred or upon such other date as determined by FreeLife in its sole discretion.

#### D. Voluntary Cancellation

A participant in this direct sales plan has the right to cancel at any time, regardless of reason. The cancellation shall become effective in the 7th month after notice of cancellation on or about the 15th business day, unless FreeLife, in its sole discretion, decides that the cancellation will be effective on a different date. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the Marketing Executive's signature, printed name, address, and FreeLife ID number. If a Marketing Executive is also an Advantage Customer, the Marketing Executive's Advantage Customer Agreement shall continue in force unless the Marketing Executive also specifically requests that it be cancelled. Montana Residents - A Montana resident may cancel his or her Agreement within 15 days from the date of enrollment, and may return his or her business kit for a full refund within such time period.

#### E. Term and Renewal

The term of this Agreement is 1 year from the date of enrollment unless otherwise terminated pursuant to the terms and conditions of the Agreement. Subject to the Terms and Conditions of this Agreement, Marketing Executives will be automatically renewed in the anniversary month of their enrollment when they place a product order. FreeLife will not pay commissions on the first 100 points the Marketing Executive orders in their anniversary month, although all of those points will count toward all qualifications. All points above 100 points in the anniversary month will be paid through the normal Compensation Plan policies. If a Marketing Executive does not order in the anniversary month, the above rules would apply to their next order. This renewal fee will be applied once each year. FreeLife reserves the right to reject any renewal. While

commissions will not be paid on these 100 renewal points in the anniversary month, these 100 points WILL count toward all qualifications, including qualifications for the individual who is placing the order and for their Support Line's qualifications.

#### F. Inactivity

It is the Marketing Executive's responsibility to lead his/her Marketing Organization with the proper example in the production of Personal FreeLife Points. Without this proper example and leadership, the Marketing Executive will lose his/her right to receive commissions and bonuses from his/her Marketing Organization. Therefore, in order to retain an Organization, Marketing Executive must personally produce at least 35 FP every other month. Failure to personally produce at least 35 FP for 2 consecutive months will result in permanent roll up of an Organization. The roll up shall become effective in the 3rd month of inactivity on or about the 15th business day in the month following the last day of the second month of inactivity. In addition, failure to produce Personal Volume, in any amount, for 6 consecutive months will result in cancellation of the Marketing Executive's Agreement and Advantage Customer Agreement. The account cancellation shall become effective in the 7th month of inactivity on or about the 15<sup>th</sup> business day.

#### G. Account Administration

If after 6 months from the date of applying, all of the requirements to become a Marketing Executive set out in Section 7 A through F are not met and there is Personal Volume or Customer Personal Volume attributable to the account, the account will be converted from a pending Marketing Executive account to a Customer Account. Such conversion shall become effective in the 7th month after the date of applying on or about the 15<sup>th</sup> business day. If all of the requirements to become a Marketing Executive set out in section 7 A through F are not met, but there is no Personal Volume or Customer Personal Volume attributable to the account for six consecutive months, the account will be cancelled pursuant to Section 46 F.

#### **47. Rollup of Enrollees from a Canceled Marketing Executive**

(Rev. Effective May 3, 2010)

The first active Enroller of a canceled Marketing Executive will acquire the Personal Enrollees of

said canceled Marketing Executive when the following requirements are met:

A. In the month immediately following 2 months of inactivity by an ME, if the first active Enroller's pay title is, (1) at least that of Director and, (2) equal or greater in value to that of the Personal Enrollee, the rollup will take place. In the event the rollup does not take place in the first month of eligibility the selection criteria process will continue, in each month thereafter, until the month in which (1) all pay title requirements are met, and rollup takes place, or (2) until the potential Enroller becomes inactive. If a potential rollup recipient Enroller becomes inactive, the next Marketing Executive in the enrollment hierarchy will be given the same rollup opportunity.

B. To qualify for any roll up, the Marketing Executive who will be receiving the roll up, of the Personal Enrollees must be in good standing.

C. Rolled-up Enrollees will not count toward contest qualifications.

D. The term "canceled," refers to account inactivity, voluntary resignation, non-renewal, or involuntary termination. Rollup will take place in the month following the completion of all requirements. If the potential rollup beneficiary does not meet the above requirements, the Enrollee shall remain without an Enroller until the requirements, are met or the potential rollup beneficiary cancels. In the event the potential rollup Marketing Executive cancels, the next qualified upline Marketing Executive in enrollment hierarchy would have the opportunity to acquire the enrollee. FreeLife reserves the right to withhold any rollup pending a compliance investigation, or in any contested or potentially contested cancellation cases or for any other reason at FreeLife's sole discretion. In these situations, the rollup beneficiary shall not be entitled to recover commissions that may accrue before the rollup occurs, and/or before FreeLife recoups all costs and damages associated with the investigation and conduct leading to the cancellation.

#### **48. Leadership Performance**

(Rev. Effective May 3, 2010)

##### **A. Marketing Executives.**

In order to be successful, it is the Marketing Executive's responsibility to lead his/her Marketing Organization with the proper example of support and business building. Such

leadership responsibilities also have important legal ramifications in direct selling. Therefore, Marketing Executives who have been involved in FreeLife for more than one year are held to a higher leadership standard. In order to comply with the various state and federal laws governing direct selling, including lottery and securities statutes, the maximum monthly combined Fast Start, 10-level Organizational commission, and Matching Bonus below the Ambassador Title, for those Marketing Executives with an application date older than 12 months, is as follows:

Executive	\$100
Executive II	\$100
Executive IV	\$150
Director	\$250
Director I	\$350
Director II	\$500
Director III	\$750
Director IV	\$1,000
Director V	\$1,500
Ambassador and above	No Maximum

The above figures only include the total of Fast Start Bonus levels 2 - 5, the 10 level Organizational Commissions, and the Matching Bonus. They do not include the First Level Fast Start Bonus, Personal Rebate, Circle of Life, Director Development Bonus and Advancement Bonuses. The earning potential for those bonuses is unlimited. The above figures are monthly maximums.

##### **B. Ambassadors.**

Because of their leadership status and in order to best support our mission of serving others, Ambassadors and higher must produce at least 6 Total Service Points over a rolling three month period. Those producing fewer Total Service Points will have a maximum organization commission of \$2000. Ambassadors who have been in good standing with FreeLife, as determined at FreeLife's discretion, for ten years or longer, are exempt from this requirement. Ambassadors aged 70 and older may submit a written request to FreeLife to have this requirement reduced or waived at FreeLife's discretion.

## **49. Dispute Resolution and Disciplinary Proceedings**

(Rev. Effective December 1, 2009)

### A. Disciplinary Sanctions

If the Agreement is violated by a current or former Marketing Executive, or the conduct of current or former a Marketing Executive is illegal, fraudulent, deceptive, or unethical, FreeLife, in its sole discretion, may take corrective measures, including but not limited to the following:

1. Issuance of a written warning or admonition;
2. Requirement that the Marketing Executive take immediate corrective measures;
3. Restricting the Marketing Executive's Internet privileges;
4. Imposition of a fine that may be withheld from bonus and commission checks;
5. Loss of rights to one or more bonus and/or commission checks;
6. Adjustment of any Marketing Organization, including the movement of all or part of the Marketing Organization to another Marketing Executive;
7. The withholding of all or part of the Marketing Executive's bonuses and commissions during the period that FreeLife is investigating any conduct allegedly violating the Agreement and, if a Marketing Executive's business is canceled for disciplinary reasons, the Marketing Executive will not be entitled to recover any commissions withheld during the investigation period;
8. Suspension of the Individual's Marketing Executive Agreement for one or more commission periods, with a corresponding permanent loss of commissions during the suspension period;
9. Suspension or permanent revocation of privileges associated with being a Marketing Executive. This includes, but is not limited to, loss of rights to use the FreeLife email system, Marketing Executive website, and the Marketing Executive's FreeLife Account;
10. Involuntary cancellation of the offender's Marketing Executive Agreement;
11. Any other measure expressly allowed within any provision of the Agreement or which FreeLife deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Marketing Executive's conduct;

12. Institution of legal proceedings for monetary and/or equitable relief in situations deemed appropriate by FreeLife.

### B. Reporting Policy Violations

In order to protect the long-term nature of the FreeLife business, any Marketing Executive observing a policy violation by another Marketing Executive or other improper conduct that may affect any other Marketing Executive, FreeLife or its customers should submit a written report of the violation or conduct directly to the attention of the FreeLife Compliance Department. Details of the violation(s) including dates, number of occurrences, persons involved, and any supporting documentation must be included in the report.

### C. Appeals of Sanctions

Following issuance of a final sanction, the disciplined Marketing Executive may appeal the sanction to the Compliance Department. The Marketing Executive's appeal must be in writing and received by FreeLife within 15 days from the date of FreeLife's notice of the final sanction. If FreeLife does not receive the appeal within the 15 day period, the sanction will be final. The Marketing Executive must submit all supporting documentation with his or her appeal correspondence. If the Marketing Executive files a timely appeal of a sanction, the Compliance Department will review and reconsider the sanction, consider any other appropriate action and notify the Marketing Executive in writing of its decision. In some cases, a Marketing Executive may be placed on suspension without commissions while FreeLife is conducting an investigation into the matter. Such interim sanctions are not "final" sanctions and are not subject to appeal.

### D. Arbitration, Governing Law, Venue and Jurisdiction

If a dispute arises relating to any relationship between or among FreeLife, its officers, employees or current or former Marketing Executives, including, but not limited to, disputes arising out of any products or services sold or provided by FreeLife, the operation of FreeLife's compensation plan, or violation or threatened violation of the Agreement, it is expected that the parties will attempt, in good faith, to resolve any such dispute in an amicable and mutually satisfactory manner. However, all such disputes shall be governed by this provision.

In the event such efforts are unsuccessful, either party may serve a Notice of Mediation/Arbitration on the other Party. Notice of Mediation/Arbitration shall be personally delivered or sent by prepaid registered airmail or air courier, and shall be effective on receipt thereof by the Party to whom it is addressed. Proof of receipt shall be a receipt signed by an officer or responsible official of the Party to whom it is addressed. The Notice of Mediation/Arbitration shall be dated, without prejudice to any right under the Rules, permitting subsequent modifications and it shall specify the claims or issues that are to be addressed in the mediation/arbitration.

If differences cannot be resolved by mediation, the Parties agree that in order to promote to the fullest extent reasonably possible, a mutually amicable resolution of the dispute in a timely, efficient and cost-effective manner, they will waive their respective rights to a trial by jury and settle their dispute by submitting the controversy to arbitration in accordance with the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association (“AAA Rules”), except that all Parties shall be entitled to all discovery rights allowed under the Federal Rules of Civil Procedure as those rules exist in the United States Federal Court for the District of Arizona, and the United States Federal rules of evidence shall be strictly applied to all arbitration proceedings.

The parties acknowledge that this Agreement evidences a transaction involving interstate commerce, and that the Federal Arbitration Act (FAA) and, to the extent not inconsistent, the AAA Rules as they exist as of the time the dispute is submitted, shall govern the interpretation, enforcement and proceedings pursuant to this mediation and arbitration clause, except as otherwise provided in these Resolution Provisions. In the case of arbitration, the parties agree that no claim shall be adjudicated, in arbitration or in any judicial proceeding, as a Class Action, and that no arbitration conducted pursuant to this Agreement shall allow class claims, or consolidation or joinder of claims or parties.

The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. 1 et seq., and the judgment upon the award rendered by the arbitrator may be entered by a court having jurisdiction thereof. Either Party may elect to participate in the arbitration telephonically. Any

substantive or procedural rights other than the enforceability of the arbitration agreement shall be governed by Arizona law, without regard to Arizona’s conflict of laws principles.

The Parties further expressly agree: (i) the arbitrator shall only reach his or her decision by applying strict rules of law to the facts, (ii) the arbitration shall be conducted in the English language, (iii) the sole and exclusive jurisdiction and venue for the arbitration (or proceeding in a court of competent jurisdiction if the matters at issue are adjudicated in the courts) shall be in Maricopa County, Arizona, (iv) the party in whose favor the arbitration award (or judgment) is rendered shall be entitled to recover its attorneys’ fees and costs, the costs and expenses of the arbitration, including fees paid to the arbitrator, as well as any attorneys’ fees and costs incurred in executing or enforcing an arbitration award (or judgment); and (v) the award shall be issued in Maricopa County, Arizona, USA. Louisiana Residents - Notwithstanding the foregoing arbitration and choice of law provisions in paragraph 49 (D), residents of the State of Louisiana are entitled to bring an action against FreeLife in their home forum and pursuant to Louisiana law.

Except as provided in the following sentences, no Party shall be entitled to commence or maintain any action in a court of law upon any matter in dispute until such matter has been submitted and determined as provided herein and then only for the enforcement of such arbitration award. Provided that, notwithstanding this dispute resolution policy, either party may apply to a court of competent jurisdiction in Maricopa County, Arizona, to seek injunctive relief before or after the pendency of any arbitration proceeding. The institution of any action for injunctive relief shall not constitute a waiver of the right or obligation of any Party to submit any claim seeking relief other than injunctive relief to arbitration. Judgment upon the award may be entered by the United States District Court or Maricopa County Superior Court located in the State of Arizona, or application may be made to such court for the judicial acceptance of the award and order of enforcement, as the case may be if the arbitrator’s award or decision is not compiled within 7 days of the arbitrator’s decision. Arbitration shall be the sole and exclusive procedure for resolution of disputes between the parties, including any disputes that might arise after termination of this Agreement.

All arbitration proceedings will be closed to the public and confidential, and all records relating thereto will be permanently sealed, except as necessary to obtain court confirmation of the judgment of the arbitrator, or as necessary to give effect to res judicata and collateral estoppel, in which case all filings with any court shall be sealed to the extent permissible by the court. Nothing herein is intended to, or shall, preclude a Party from communicating with, or making disclosure to, its lawyers, tax advisors, auditors and insurers, as necessary and appropriate, or from making such other disclosures as may be required by law.

## **50. Definitions**

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Customer: Persons who have enrolled in FreeLife's Advantage Customer programs, Preferred Customers, converted from a pending Marketing Executive account to a Customer account, and persons who purchase products on a retail basis from FreeLife Marketing Executives.

FreeLife Points (or "FP"): Every commissionable FreeLife product or service has a point value attached to it. These points are called "FreeLife Points." The points accumulated by a Marketing Executive's Marketing Organization and personal efforts are used in the determination of the Marketing Executive's qualification for, and amount of, bonuses, and commissions.

Organization: A Marketing Executive "Organization" consists of those Marketing Executives and Customers whose purchases and sales generate FreeLife Points that are allocated to the Marketing Executive under FreeLife's Compensation Plan within their 10 levels.

Recruit: Actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly (including but not limited to directly or indirectly calling an Marketing Executives attention to a Website), or through a third party, another FreeLife Marketing Executive or customer to enroll or participate in another multilevel marketing, network marketing sales opportunity. This conduct constitutes recruiting even if the Marketing Executives actions are in response to an inquiry made by another Customer or Marketing Executive.

Support Line Marketing Organization: The immediate 10 Marketing Executives in the genealogical hierarchy above a given Marketing Executive.