



Policies and Procedures Manual

As a Brand Partner of Nerium International, LLC (hereafter the “**Company**”), you are required to understand and comply with all rules, regulations, policies and procedures contained in this Brand Partner Policies and Procedures Manual (the “**Policy Manual**”) that may be published or disseminated by the Company. The Company reserves the right to amend this Policy Manual by publishing or transmitting amendments as it deems appropriate.

The Company complies with all applicable laws and regulations governing network marketing and requires every Brand Partner to do the same. It is, therefore, very important that you read and understand the information contained in this Policy Manual. If you have any questions regarding any rule or policy, seek an answer from your Sponsor, upline leader or the Company Department of Ethics and Compliance. The Code of Professional Ethics is included in Section 12 of this Policy Manual; you should review these materials and make them a part of your planning.

Contents

Section 1:	Brand Partner Status
Section 2:	Term and Renewal
Section 3:	Sponsorship
Section 4:	Resignation/Termination
Section 5:	Transferability
Section 6:	Proprietary Information
Section 7:	Trademarks, Literature, and Advertising
Section 8:	Payment Of Commissions
Section 9:	Purchase and Sale of Products
Section 10:	Retail Customer Returns and Refunds
Section 11:	General Provisions
Section 12:	Code of Professional Ethics

Section 1 (Brand Partner Status)

1.01 Becoming a Brand Partner.

An applicant becomes an Independent Brand Partner (“**Brand Partner(s)**”) of the Company when the following requirements are fulfilled:

- The applicant’s completed Brand Partner Application and Agreement (the “**Agreement**”) and any related documents have been received and accepted by the Company at its corporate office in Addison, Dallas County, Texas;
- The applicant purchases, at Company cost, a Brand Partner Launch Kit, which contains Brand Partner Forms (including, but not limited to, Brand Partner Applications and Product Order Forms), Company information and brochures, which are sales materials (not for resale). This sum is not a service or franchise fee, but rather is strictly to offset costs incurred by the Company for educational and business materials required for a Brand Partner of the Company.

The Company reserves the right to decline to accept any Agreement for any reason at its sole discretion.

1.02 No Purchase Required

Except as set forth above, no purchase is required to become a Brand Partner.

1.03 Brand Partner Obligations and Rights

A Brand Partner is authorized to sell the Company’s products and services and to participate in the Company’s Compensation Plan. A Brand Partner may sponsor new Brand Partners into the Company.

1.04 Legal Age

Legal Age. A Brand Partner shall be of legal age to enter into a binding contract in the Hong Kong Special Administrative Region of the People’s Republic of China.

1.05 Common Address

No more than three (3) Brand Partners or Customers may ship product to the same shipping address.

1.06 Married Couples

Married couples and their dependent children shall share a single Brand Partner entity. Brand Partners who subsequently marry shall maintain separate Brand Partner status unless one is the direct Sponsor of the other, in which case their Brand Partner entities may be consolidated. When a couple sharing a Brand Partner entity divorces or separates, the Company will continue to pay commission checks in the same manner as before the divorce or separation until it receives written notice, signed by both parties or issued by a court decree, which specifies to whom future commission checks should be paid, provided the couple has complied with the requirements of Section 5.03, if applicable.

1.07 Simultaneous Interests. A Brand Partner and spouse and dependents may not have simultaneous beneficial interests in more than one Brand Partner position entity. For example, a shareholder of a corporation that is a Brand Partner may not become an individual Brand Partner.

1.08 Corporations, Partnerships, Limited Liability Companies, and Trusts. Corporations, Partnerships, Limited Liability Companies or other forms of business organizations and/or trusts may become a Brand Partner of the Company when the Agreement is accompanied by copies of the following documents within thirty (30) days after the Agreement is accepted; otherwise, the Brand Partner position may go into suspension:

- a) Certificate of incorporation, Partnership agreement, trust documents and/or other governing documents, as applicable;
- b) A complete list of all directors, officers and shareholders involved in a corporation, all general and limited Partners of a Partnership, members of a limited liability company or trustee(s) and beneficiaries of a trust, as applicable;
- c) Company registration number, business registration number or other identification number as the Company may approve in its sole discretion; and
- d) Such other documents and information as may be reasonably requested from time to time. Shareholders, directors, officers, partners, members, beneficiaries and trustees, as applicable, of a Brand Partner entity shall agree to be held personally liable to the Company and bound by the Agreement and the Policy Manual.

The commissions and bonuses will be issued in the name of the Business Entity. The Company will not have any liability to Brand Partner if the Business Entity or any participant in the Business Entity fails to allocate and pay any portion of the commissions and bonuses received by the Business Entity among the multiple participants in the Business Entity, or for any incorrect allocation and payment; and One Participant will be designated as the Authorized Representative of the Business Entity and the Company may rely and act on any information provided by the Authorized Representative.

1.09 Non-Profit Organizations

Non-Profit Organizations may become a Brand Partner of the Company when the Agreement is accompanied by copies of the following documents within thirty (30) days after the Agreement is accepted; otherwise, the Brand Partner position may go into suspension:

- a) Certificate of incorporation, Partnership agreement, trust documents and/or other governing documents, as applicable;
- b) A complete list of all directors and officers involved in the Non-Profit Organization and who is authorized to enter into a contract on behalf of the organization, as applicable;
- c) Company registration number, business registration number or other identification number as the Company may approve in its sole discretion;
- d) In relation to charitable institutions and trusts of a public character, evidence of tax exemption under Section 88 of the Inland Revenue Ordinance; and
- e) Such other documents and information as may be reasonably requested from time to time. Directors, officers, partners and members, as applicable, of a Brand Partner entity shall agree to be held personally liable to the Company and bound by the Agreement and the Policy Manual.

The commissions and bonuses will be issued in the name of the Business Entity. The Company will not have any liability to Brand Partner if the Business Entity or any participant in the Business Entity fails to allocate and pay any portion of the commissions and bonuses received by the Business Entity among the multiple Participants in the Business Entity, or for any incorrect allocation and payment; and one participant will be designated as the Authorized Representative of the Business Entity and the Company may rely and act on any information provided by the Authorized Representative.

1.10 Fictitious and/or Assumed Names

A person or entity may not apply as a Brand Partner using a fictitious or assumed name without Company approval, which may be withheld in the Company's sole discretion.

1.11 Keeping Information on Agreement Current

It is Brand Partner's duty to keep the information contained in their Agreement current and accurate. Brand Partner must immediately inform the Company of any changes affecting the accuracy of information contained in these documents or they can make the amendment in the Online Business Center. Failure to do this may result in the Brand Partner position going into suspension.

The Company may terminate a Brand Partner account or declare the Agreement void from its inception if the Company determines false or inaccurate information was provided.

1.12 Independent Contractor Status

A Brand Partner is an independent contractor. Brand Partner is not a franchisee, joint venture Partner, business Partner, employee or agent of the Company, and Brand Partner is prohibited from stating or implying, whether orally or in writing, otherwise. Brand Partner has no authority to bind the Company to any obligation. The Company is not responsible for payment or co-payment of any employee benefits. Brand Partner is responsible for liability, health, disability and employee's compensation insurance. Brand Partner sets Brand Partner's own hours and determines how to conduct Brand Partner's business, subject to the Agreement and the Policy Manual.

1.13 Taxation

As an independent contractor, a Brand Partner will not be treated as a franchisee, Partner, employee or agent for tax purposes including, with respect to the Inland Revenue Ordinance or any other law or regulation.

1.15 Brand Partner Identification Number

A Brand Partner is required to provide the Company with their Hong Kong Identity Card Number before they are eligible to receive commissions or bonuses, or when otherwise required by the Company for tax or other purposes. This requirement also applies to spouses who sign the Agreement. If the Brand Partner signs up using a Business Entity, they must provide the Hong Kong Business Registration Number of the Business Entity and the Hong Kong Identity Card Number of each participant in the Business Entity (including but not limited to any shareholder, director, officer, member and partner of the Business Entity where applicable). The Company may also place a sales order or Bonus hold on a Brand Partner account until the Brand Partner provides the required identity number and their identity number has been verified. You shall provide copy of your Identity Card and/or Business Registration Certificate (if applicable) for identity verification purposes upon request by the Company. Brand Partners will be assigned a Nerium International ID number for purposes of the Brand Partner's business with the Company. This number shall be placed on all orders and correspondence with the Company, hereinafter referred to as the Brand Partner Identification Number ("BPIN"). The Company will use this number in all internal Brand Partner transactions. Any penalties or fines that may result from the use of an incorrect tax identification number furnished to the Company will be the responsibility of Brand Partner.

1.16 No Exclusive Territories

There are no exclusive territories for marketing or sponsoring purposes, nor shall any Brand Partner imply or state that Brand Partner has an exclusive territory. No franchise is granted and there are no exclusive territories for sales or sponsoring purposes. No geographical limitations exist on Brand Partner sponsoring within the Hong Kong Special Administrative Region of the People's Republic of China or any country in which the Company is approved to do business.

1.17 Other Products

A Brand Partner agrees that no products except the Company's products shall be sold or shown at any event where the Company's products are sold or shown. During the term of the Brand Partner Agreement, and for a period of six (6) months thereafter, Brand Partner is prohibited from selling or promoting any competing products or services or marketing programs to any of the Company's Employees, Agents or Brand Partners, except those Brand Partners personally sponsored by Brand Partner. Any Brand Partner found in violation of this subsection risks the loss of buying privileges, possible suspension and/or termination of Brand Partner position and participation in the Company Compensation Plan, and the Company will pursue all legal recourses to recover damages.

1.18 Cross-Group Selling

Selling to other Company Brand Partners in order to receive credit for bonuses and advancement is prohibited. Brand Partner shall obtain all of Brand Partner's Company products, literature and materials directly from the Company. Any violation of this rule subjects Brand Partner to possible suspension and/or termination.

Section 2 (Term and Renewal)

2.01 Term

Subject to the provisions of Section Four, the Agreement shall have a term beginning on the date of acceptance by the Company and ending one year from the date thereof (the "**Anniversary Date**").

2.02 Annual Renewal

A Brand Partner authorizes Company to automatically renew their Brand Partner's status annually. The annual renewal fee is posted in the Online Business Center or is available through Nerium Support and is due on the Anniversary Date of enrollment. A Brand Partner not renewing by the renewal date, as provided herein, shall be deemed to have voluntarily terminated their Brand Partner position relationship with the Company and will thereby lose their Brand Partner position, all sponsorship rights, their position in the Compensation Plan, all rights to commissions and bonuses and the ability to purchase products from the Company at wholesale prices. A Brand Partner who fails to renew his/her Brand Partner status may not reenroll under a new Sponsor for six (6) months after non-renewal.

2.03 Inactivity

A Brand Partner who is "inactive" in any 180 consecutive-day period shall be automatically deactivated from Brand Partner status and converted to Retail Customer status instead.

Section 3 (Sponsorship)

3.01 Sponsoring

A Brand Partner may sponsor other Brand Partners in the Hong Kong Special Administrative Region of the People's Republic of China and any country in which the Company is authorized to do business. Sponsors shall ensure that each new Brand Partner has received, had access to and understands the Company's Agreement, the Policy Manual and the Compensation Plan. A Brand Partner will be compensated only for the generation of sales volumes, not for sponsoring new Brand Partners into the program.

3.02 Multiple Agreements

If an applicant submits multiple Agreements that list different Sponsors, only the first completed Agreement to be received by the Company will be accepted. The decision of the Company in recognizing the official Sponsor is final.

3.03 Training Requirement

Brand Partners are required to assure the adequate training of Brand Partners they sponsor.

A sponsor's responsibilities include, but are not limited to:

- a) Maintain an ongoing professional leadership association with Brand Partners in the organization and shall fulfil the obligation of performing a bona fide supervisory, distribution and selling function in the sale or delivery of products and services.
- b) Provide training to ensure that the product sales and opportunity meetings conducted by their downline organization are conducted in accordance with current Company literature, and in accordance with any applicable laws, ordinances, and regulations;
- c) Exercise their best efforts to make sure that all Brand Partners in their downline organization properly understand and comply with the terms of the Agreement, which includes this Policy Manual, the Compensation Plan, other documents produced by the Company, and applicable national and local laws, ordinances, and regulations;
- d) Monitor the activities of those they personally sponsor and those in their downline organization and work in good faith with the Company to prevent the violation of the terms of the Agreement, which includes this Policy Manual, the Compensation Plan and other documents produced by the Company;
- e) Cooperate with the Company regarding investigations of their downline organization, and, upon request from the Company, provide all relevant information pertaining to any investigation;
- f) Supervise and assist their downline organization's efforts to sell the Company's products to customers; and
- g) Intervene in any disputes arising between a customer and any of their downline organization and attempt to resolve the disputes promptly and amicably.

Upon request, a Brand Partner must be able to provide the Company with evidence of ongoing fulfillment of Sponsor responsibilities, including training.

3.04 Income Claims

No income projections, including those based solely on mathematical projections or "ideal projections" of the Company Compensation Plan may be made to prospective Brand Partners. Brand Partner shall not represent Brand Partner's income as an indication of the success assured to others, since income success depends upon many variables. Commission checks may not be used as marketing materials. Brand Partner shall not guarantee or estimate compensation, draws, expenses or deductions attributable to the business to prospects. Brand Partner shall truthfully and fairly describe and present the Compensation Plan. No past, potential or actual income claims may be made to prospective Brand Partners. Brand Partner may not guarantee commissions or estimate expenses to prospects.

3.05 Transfer of Sponsorship

Although it is strongly discouraged and is seldom permitted, a Brand Partner may transfer to a different Sponsor or Sponsorship line, subject to the written approval of the Company, which may be withheld in its sole discretion, subject to the following conditions:

- a) If the transferring Brand Partner is within the same Sponsorship group, signatures are required from all Brand Partners that are, or may be, impacted, by the move;
- b) If the transferring Brand Partner is outside the same Sponsorship group, a statement signed by all affected upline Brand Partners shall be submitted reflecting that each affected party understands and consents to the transfer. Any request for transfer of Sponsorship shall be first submitted to the Company in writing explaining the reason for the request of transfer;
- c) A \$400.00 transfer fee shall be paid to the Company;
- d) A written request for transfer explaining the exact reason for the requested transfer shall be submitted to the Company; and
- e) The final approval of the Company, if granted, will apply only to the Brand Partner making the request and not the Brand Partner's downline organization. Brand Partner shall comply with the requirements of section 5.03.

Section 4 (Resignation/Termination)

4.01 Voluntary Resignation.

- a) A Brand Partner may voluntarily terminate Brand Partner's status by failing to renew or by sending a written notice of resignation or termination to the Company. Voluntary resignation is effective upon receipt of such notice by the Company.
- b) A Brand Partner who resigns or terminates Brand Partner's status may reapply as a brand Partner at an entry-level position six (6) months after resignation.
- c) When a Brand Partner voluntarily terminates the Agreement, Brand Partner's sales network shall automatically roll up to the first upline Brand Partner.

4.02 Suspension

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

- a) Prohibiting Brand Partner from holding Brand Partner meeting or outing as a Brand Partner of the Company or using any of the Company's proprietary marks and/or materials;
- b) Withholding commissions and bonuses due Brand Partner during the suspension period;
- c) Prohibiting Brand Partner from purchasing services and products from the Company;
- d) Prohibiting Brand Partner from sponsoring new Brand Partners, contacting current Brand Partners or attending meetings of Brand Partners; and/or
- e) Prohibiting Brand Partner from going on Company sponsored trips.
- f) If the Company, in its sole discretion, determines that the violation that caused the suspension is continuing, has not been satisfactorily resolved, or a new violation involving the suspended Brand Partner has occurred, the suspended Brand Partner may be terminated.

4.03 Termination

Brand Partner may be terminated for violating the terms of the Agreement, which includes this Policy Manual, the Compensation Plan and other documents produced by the Company. The Company may terminate a violating Brand Partner without placing Brand Partner on suspension, in the Company's sole discretion. Brand Partner will be given notice of the opportunity to be heard by a panel to consider the issues relating to the grounds for termination. When the decision is made to terminate Brand Partner, the Company will inform Brand Partner in writing at the address in Brand Partner's file that the termination has occurred effective thirty (30) days from the date of the written notification.

4.04 Appeal

If Brand Partner wishes to appeal the termination, the Company must receive the appeal in writing within fifteen (15) days from the date of notice of termination. If no appeal is received within the fifteen (15) day period, the termination will automatically be deemed final. If Brand Partner files a timely notice of appeal, the Company will review the appeal and notify Brand Partner of its decision within ten (10) days after receipt of the appeal. The decision of the Company will be final and subject to no further review. In the event the termination is not rescinded, the termination will remain effective as of the date stated in the original termination notice.

4.05 Effect of Termination

Immediately upon termination, the terminated Brand Partner:

- a) Shall remove and permanently discontinue the use of the trademarks, service marks, trade names and any signs, labels, stationery or advertising referring to or relating to any Company product, plan or program;
- b) Shall cease representing themselves as a Brand Partner of the Company;
- c) Shall lose all rights to Brand Partner's position and position in the Compensation Plan and to all future commissions and bonuses resulting there from; and
- d) Shall take all action reasonably required by the Company relating to protection of its confidential information. The Company has the right to offset any amounts owed by Brand Partner to the Company from commissions or other bonuses due to Brand Partner. The Company may also offset an estimate of the reasonable amount that Brand Partner owes under the terms of the indemnity obligation incurred pursuant to Section 11.01 herein.

4.06 Reapplication

The acceptance of any reapplication of a terminated Brand Partner, or the application of any family member of a terminated Brand Partner, shall be in the sole discretion of the Company and may be denied.

Section 5 (Transferability)

5.01 Acquisition of Business

Any Brand Partner desiring to acquire an interest in another Brand Partner's business shall first terminate his/her Brand Partner position and wait six (6) months before becoming eligible for such a purchase. All such transactions shall be fully disclosed to the Company and are subject to approval by the Company in advance.

5.02 Transfers to Brand Partner

Except as expressly set forth herein, Brand Partner may not sell, assign or otherwise transfer Brand Partner's entity (or rights thereto) to another Brand Partner or to an individual who has an interest in Brand Partner entity. Notwithstanding the foregoing, a Brand Partner may transfer the Brand Partner position to the Sponsor, subject to the conditions of Section 5.03. In such event, the Sponsor's Brand Partner position and the transferring Brand Partner's Brand Partner position shall be merged into one entity.

5.03 Conditions to Transferability

Conditions to Transferability. Brand Partner may not sell, assign, merge or transfer Brand Partner's position (or rights thereto) without the prior written approval of the Company, and any such transfer, if approved, is subject to the following conditions:

- a) Brand Partner must be in good standing, and must strictly adhere to all Policies and Procedures of the Company and not currently be on probation or suspension for Policy Violations.
- b) The Company possesses the right of first refusal with respect to any sale, assignment, transfer or merger of any Brand Partner position. A Brand Partner wishing to sell, assign, transfer or merge the Brand Partner position shall first provide the Company with the right and option to make such a purchase or receive such transfer in writing on the same terms and conditions as any outstanding offer. The Company will advise Brand Partner within ten (10) business days after receipt of such notice of its decision to accept or reject the offer. If the Company fails to respond within the ten (10) day period or declines such offer, Brand Partner may make the same offer or accept any outstanding offer which is on the same terms and conditions as the offer to the Company to any person or entity who is not a Brand Partner, married to or a dependent of a Brand Partner or who has any interest in a Brand Partner position.
- c) The selling Brand Partner shall provide the Company an executed "Sale of Nerium International Brand Partner Position" form and with a copy of all documents which detail the transfer, including without limitation, the name of the purchaser, the purchase price and terms of purchase and payment;
- d) A transfer fee of \$400.00 shall accompany the transfer documents;
- e) The documents shall contain a covenant made by the selling Brand Partner for the benefit of the proposed purchaser not to compete with the purchaser or attempt to divert or sponsor any existing Brand Partner of the Company for a period of six (6) months from the date of the sale or transfer; and
- f) Upon approval by the Company in writing, the buying party shall assume the position of the selling Brand Partner and shall execute a current agreement and all such other documents as may be reasonably required by the Company.
- g) The Company reserves the right, in its sole discretion, to stipulate additional terms and conditions prior to approval of any proposed sale or transfer. The Company reserves the right to disapprove any sale or transfer.
- h) A Brand Partner must have had a completed product sale in the last 90 days.
- i) Brand Partner must have enrolled or renewed their Brand Partner position within the last twelve (12) months or have an active Auto-Delivery template and an active Auto-Delivery Order that was paid with the selling Brand Partner's credit card and shipped to the shipping address on their customer record within the last 30 days.
- j) A Brand Partner position being sold must have personally sponsored at least one (1) Brand Partner in the last twelve (12) months.
- k) The new owner will assume the original enrollment date of the position being sold.
- l) If the position enrollment date is thirty (30) days or greater, the new owner will not be eligible to earn the Director 60 Bonus.
- m) If the position being purchased has achieved a rank of Senior Director or higher, the purchaser must maintain a "Paid As" rank equal to the Highest Achieved rank for that position for ninety (90) days before they may be eligible to receive the benefits of the Lexus program.

5.04 Circumvention of Policies

If it is determined, in the Company's sole discretion, that a Brand Partner position was transferred in an effort to circumvent compliance with the Agreement, this Policy Manual or the Compensation Plan, the transfer will be declared null and void, and the Brand Partner position will revert back to the transferring Brand Partner who will be treated as if the transfer had never occurred from the reversion day forward. If necessary, and in the Company's sole discretion, appropriate action, including without limitation, termination may be taken against the transferring Brand Partner to ensure compliance with the Agreement and this Policy Manual.

5.05 Succession

Notwithstanding any other provision of Section Five, upon the death of a Brand Partner, the Brand Partner's position will pass to Brand Partner's successors in interest as provided by law; however, the Company will not recognize such a transfer until the successor in interest has executed a current Agreement and submitted certified copies of the death certificate and will, trust or other instrument required by the Company to evidence transfer of ownership. The successor will thereafter be entitled to all the rights and be subject to all the obligations of a Company Brand Partner.

5.06 Reentry

Any Brand Partner who transfers their Brand Partnership shall wait for six (6) months after the effective date of such transfer before becoming eligible to reapply to become a new Brand Partner.

Section 6 (Proprietary Information)

6.01 Confidentiality Agreement

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

6.02 Copyright Restrictions

With respect to product purchases from the Company, Brand Partner shall abide by all manufacturers' use restrictions and copyright protections.

6.03 Confidentiality of Vendors and Other Business Associates

The Company's business relationships with its vendors, manufacturers, suppliers and researchers are confidential. Brand Partner shall not contact, directly or indirectly, speak to or communicate with any supplier, manufacturer or researcher of the Company except at a Company-sponsored event at which the supplier, manufacturer or researcher is present at the request of the Company.

Section 7 (Trademarks, Literature, and Advertising)

7.01 Trademarks

a) The Company's name, trademarks, service marks and copyrighted materials are owned by the Company, including the names of the Company's products. The use of such marks and materials shall be in strict compliance with the Policy Manual. Only the Company is authorized to produce and market products and literature under these trademarks. Use of the Company name on any item not produced or authorized by the Company is prohibited, except in the manner described below:

Mary Jones
Independent Brand Partner
NERIUM INTERNATIONAL, LLC Products

b) Trademark usage, unless otherwise as stated above: Independent Brand Partners who wish to use the Company's name, trademarks, service marks and copyrighted materials for Internet marketing purposes only will have the option to participate in the Company's Internet Licensee Program, and must adhere to the Company's Policies within this document, as well as the requirements of the program. Email compliance@nerium.com for additional information

7.02 Telephone, Yellow and White Page Listing

Brand Partner is not permitted to use the Company's trade name in advertising in the white or yellow page sections of the telephone book. Brand Partner is not permitted to list their telephone numbers under the Company's trade name without first obtaining prior written approval from the Company. If approval is granted for a listing, it shall be stated in the following manner:

Jones, Mary
Independent Brand Partner
NERIUM INTERNATIONAL, LLC Products

7.03 Imprinted Checks

Brand Partner is not permitted to use the Company trade name or any of its trademarks or service marks on their business or personal checking accounts; however, Brand Partner may imprint Brand Partner's business checks as being a "Nerium International, LLC Independent Brand Partner."

7.04 Imprinted Business Cards or Letterheads

Brand Partner is not permitted to "create" Brand Partner's own stationary, business cards or letterhead graphics if the Company's trade name and/or trademarks are used. Only the approved Company graphics version and wording are permitted and letterhead shall be ordered either from the Company directly or from the Company-licensed independent contractor.

7.05 Print and Electronic Advertising

Only Company-produced or -approved (in writing and in advance) promotional and advertising materials may be used to advertise or promote a Brand Partner's business or sell products or services of the Company in any print or electronic media, including on an Internet website. No person shall use the Company name, logos, trademarks or copyrighted material in any advertising not produced by the Company or without prior express written permission from the Company. The Company's literature and materials may not be duplicated or reprinted without prior written permission of the Company. The Company's consent or approval may be withheld at its sole discretion. Banners, trade show materials and the like must be pre-approved in writing by the Company.

7.06 Internet

The Company maintains a presence on the internet on its own website. Brand Partner is prohibited from using any trademarks of Company, including the Company names or logos, and the name of any of the products, or any other trade names, trademarks or distinctive phrases or remarks used by Company, including those related to any product or any term confusingly similar thereto – in any form on the internet. If a Brand Partner desires to provide a link from Brand Partner's personal website directly to the Company's website, the Brand Partner's request must be in writing and is subject to Company approval in its sole discretion. No link may be established until the Brand Partner receives written approval from the Company.

7.07 Protection of Minors

The Company's website is not designed for or targeted at children. We do not knowingly collect, use or disseminate any personally identifiable information from children under the age of 18. If, however, we become aware that personally identifiable information regarding a child under the age of 18 has been collected at the Company's site, we will use such information for the sole purpose of contacting a parent or guardian of the child to obtain verifiable parental consent. If we cannot obtain consent after a reasonable period of time, or if when contacted, a parent or guardian requests that we do not use or maintain such information, we will delete it from our records. Upon request by a parent or guardian, the Company will provide a description of the specific types of personal information collected from a child who is under the age of 18.

7.08 Gifts, Enticement and Special Discounts

- a) Brand Partners are prohibited from using print, electronic or verbal advertisements to entice potential prospects, including Preferred Customers, to join their organization or team, which includes, but is not limited to; special rewards, incentives, bonuses, products or guarantee of downline placements, which can be determined upon Company's sole discretion.
- b) Brand Partners are not allowed to use the Placement Suite as a form of incentive and/or enticement to leverage potential prospects, including Preferred Customers, in any public or private forum for joining their Nerium business.

7.09 Social Media

- a) As a Brand Partner for Nerium International, you are not required to maintain a presence in social media. Should you choose to do so, however, you must adhere to the guidelines and policies set forth by the Company. These guidelines and policies are designed to ensure the uniformity and professionalism of the "Nerium International" brand which, in turn, benefits your business.
- b) The Company maintains an online presence for the benefit of the Company as a whole, which includes Customers, Brand Partners and the general public. We ask that in our public forums (Facebook, Twitter, Wechat, Youtube, etc.) you keep your comments relevant to all. Our blog (neriumblog.net) is a resource for you to ask questions related to the business side of the Company, and our corporate staff is available to help.
- c) You may not use the official corporate Nerium pages to drive business, solicit business, drive people to your own site or recruit Brand Partners. Our trademarked brand name cannot be used to drive traffic away from our corporate site.
- d) You cannot represent your independent business as the corporate office. All Brand Partner communications, both in print and online, must clearly appear as coming from an independent representative of the company and not lead the consumer to think they may be interacting with the corporate office of the Company.
- e) You are welcome to use the term "Independent Brand Partner for Nerium International" in the name/description of various social media sites for your business. You cannot use the word "official" or anything similar. You cannot create an alias for any sites like Facebook or others that use any permutation of the Nerium International name. For further clarification regarding naming, please refer to Section 7.06.
- f) When posting information online related to the Company, please consider if the information you are sharing is beneficial to your business and to the Company as a whole. Do not represent yourself in any way online that detracts from the "Nerium International" brand. All Independent Brand Partners agree, acknowledge and affirmatively accept any content posted (photos, testimonials, statements, marketing materials, etc.) on a social networking website including, but not limited to, Facebook, Twitter, Wechat, MySpace, LinkedIn, Flickr, etc., must adhere to the Print and Electronic Guidelines found in Section 7.05. Health/medical claims, income claims or disparaging comments, remarks, etc. are expressly prohibited and will not be approved or allowed.
- g) In the event of your voluntary or involuntary termination as a Nerium International Independent Brand Partner, you are required to remove all references to the Company and its trademarks from social networking profile(s) within ten (10) days.

- h) Should the Company discover non-compliant profiles and/or websites, you will be required to remove the material immediately.
- i) Infractions of any social media guideline may result in disciplinary actions up to and including termination of your Brand Partner account.
- j) The Company requires that all Brand Partners identify themselves as independent business owners and should therefore adhere to the naming convention of their Facebook page and all other social media networks to read as follows: “John Doe, Independent Brand Partner, Nerium International.” On Facebook only are you allowed to use “Nerium” in your vanity URL if its naming convention is the same as your Nerium replicated site, i.e. “Facebook.com/john.doe.nerium”. This is the only acceptable use of the word “Nerium” in a URL.
- k) All Independent Brand Partners are prohibited from advertising “Nerium” on websites such as Groupon, Facebook offers, Twitter ads, or any website or social media networks with a coupon or special discount offer, including and not limited to the purchase of ads with the “Nerium” name used in the naming conventions of URL domains, subdomains or in the advertising on pay per click ads and/or ad words, etc.

7.10 Media Interviews

Brand Partners may not promote the products or opportunity through interviews with the media, articles in publications, news reports, or any other public information, trade, or industry information source, unless specifically authorized, in writing, by the Company. This includes private, paid membership, or “closed group” publications. Brand Partners may not speak to the media on the Company’s behalf, and may not represent that they have been authorized by the Company to speak on its behalf. All media contacts or inquiries should be immediately referred to the Company.

7.11 Endorsements

No endorsements by a Company officer or any third party may be asserted, except as expressly communicated in the Company literature and communications. Government departments do not approve or endorse direct selling programs. Therefore, a Brand Partner may not represent or imply, directly or indirectly, that the Company’s program, products or services has been approved or endorsed by any government department.

7.12 Independent Communications

Subject to the restrictions imposed by Section Seven, Brand Partner is encouraged to distribute information and direction to Brand Partner’s respective downline; however, Brand Partner shall identify and distinguish between personal communications and the official communications of the Company.

7.13 Medical or Therapeutic Claims

No medical claims (expressed or implied) may be made for any Company product by Brand Partner.

7.14 Brand Partner Services

The Company provides every active Brand Partner with management and training communications, timely delivery of product and sales materials and a computer report of sales made in their marketing group for the pay period in which commissions and overrides are earned and paid.

7.15 Recordings

Brand Partner may not produce or reproduce for sale or personal use products sold by the Company or any Company-produced literature, audio or video material, presentations, events or speeches, including conference calls. Video and/or audio taping of Company meetings and conferences is strictly prohibited. Still photography is allowable at the discretion of the meeting host.

7.16 Telephone Answering

Brand Partner may not answer the telephone by saying “Nerium International” or in any other manner that would lead the caller to believe that the call has reached the corporate offices of the Company.

7.17 Liability

Violation of any of the rules contained in this Policy Manual is grounds for termination of the individual’s Brand Partner status. The violator may also be liable for damages resulting from unauthorized use of the Company copyrights, trademarks, materials or any other property.

7.18 iPad Incentive Rules

There can be no mention of iPad in any type of promotion or incentive program that is presented to the public at large, either in print or electronically. It is not acceptable to have a picture of someone with his or her iPad and communication involving the iPad cannot explain how to win, earn or obtain an iPad by working with Nerium.

Section 8 (Payment of Commissions)

8.01 Basis for Commissions

Commissions and other bonuses cannot be paid until a completed Agreement has been received and accepted by the Company prior to the end of the month in which the sale is made. Commissions are paid ONLY on the sale of Company services and products. No commissions are paid on the purchase of a Brand Partner kit or for sponsoring Brand Partners.

8.02 Calendar

Commissions, overrides and bonuses are calculated and paid on the current pay period information, including but not limited to:

- a) the “Paid As” rank;
- b) whether the Personal Volume requirement is met;
- c) whether the Monthly Group Qualifying is met;
- d) the “Paid As” rank of the downlines in the separate personally sponsored legs in placement trees; and
- e) the number of National Marketing Directors in separate personally sponsored legs in placement trees.

A Brand Partner is promoted to the highest rank in which he/she qualifies at the close of each bonus period. Commissions and bonuses are paid based on the “Paid As” rank.

8.03 Commission and Bonus Payment Date

Commissions, overrides and bonuses are calculated and paid on the current pay period information, including but not limited to:

- a) the “Paid As” rank;
- b) whether the Personal Volume requirement is met;
- c) whether the Monthly Group Qualifying is met;
- d) the “Paid As” rank of the downlines in the separate personally sponsored legs in placement trees; and
- e) the number of National Marketing Directors in separate personally sponsored legs in placement trees.”

A Brand Partner is promoted to the highest rank in which he/she qualifies at the close of each bonus period. Commissions and bonuses are paid based on the “Paid As” rank.

8.04 Minimum Payment

The minimum amount for payment of commissions and overrides is \$125.00; all monies not paid will be included in the next bonus payment. Processing fees vary based on payment options and may be deducted from all commission and bonus payments.

8.05 Offset of Commissions

Any commissions or bonuses earned and paid on products returned is the obligation of and shall be repaid to the Company by the Brand Partner originally paid such commissions or bonuses. The Company has the right to offset such amounts against future commissions and other bonuses paid or owed to such Brand Partner and Brand Partner’s upline who participated in an override.

8.06 Tax Reporting for Commissions

Any commissions paid to a Brand Partner may be subject to tax laws. Payments made in the form of incentive trips, free product (NGB, in lieu of Lexus lease) and/or Lexus car payments may all be subject to taxation as profits. The Brand Partner is responsible to file all tax returns appropriate for operating a home-based business.

Section 9 (Purchase and Sale of Products)

9.01 Purchase Requirement

No product purchase is required in order for an applicant to become a Brand Partner, although purchases or sales of products may be required in order to advance in the Compensation Plan. Brand Partners who have had their Agreement accepted by the Company may buy products at wholesale prices directly from the Company.

9.02 Stockpiling Prohibited

The success of the Company depends on sales to the ultimate consumer and all forms of stockpiling are strictly prohibited including, but not limited to, purchases of products primarily for purposes of qualifying for additional compensation. The Company recognizes that Brand Partner will purchase products for Brand Partner’s own use, however, the Company strictly prohibits the purchase of products in unreasonable amounts in an attempt to qualify for advancement in the Compensation Plan.

9.03 70% Rule

In order to qualify for commissions and bonuses, Brand Partner shall certify on the product order form that the Brand Partner has sold to non-Brand Partner consumers or used at least 70% of all products previously purchased. Brand Partners placing telephone orders to the Company are also required to comply with this rule and may be requested by the Company to verify compliance. In its effort to support and enforce the retail sales/70% Rule, the Company, on a quarterly basis, will conduct random audit verification follow-ups. Representatives of the Company will contact Brand Partners to further verify compliance with the 70% Rule. Brand Partners should maintain records and be prepared to assist the Company representative in their task.

9.04 Retail Sales Rule

Requiring sales to at least five (5) retail customers per month.

9.05 Manipulation of Sales Compensation Plan

Maintaining the integrity of the Sales Compensation Plan is of vital importance to the Company. Brand Partners must abide by the terms and conditions of the Sales Compensation Plan and they may not, in any form, use false identification numbers and false names, buy additional product to maintain a rank or advance in the compensation plan, warehouse products, or use any other form of manipulation that violates the terms and conditions of the Sales Compensation Plan or its spirit and intent.

9.06 Preferred Customer Rules

A Preferred Customer must personally opt in to the monthly Auto-Delivery Order program. Invalid Preferred Customer orders are defined as orders submitted as Preferred Customer orders for qualification purposes without the written authorization from the customer. If a Brand Partner submits a Preferred Customer order without the Customer's consent, the Brand Partner will be subject to disciplinary action, including termination. Preferred Customer orders cannot be paid by or shipped to a Brand Partner for any reason. No exceptions.

9.07 Ordering Methods

All orders submitted to the Company shall have the Brand Partner's or Customer's Company issued identification number placed thereon to assist the Company in processing and shipping the order properly. Failure to provide this information may result in a delay in processing the order.

9.08 Submitting Orders in the Name of Another Brand Partner

A Brand Partner is prohibited from submitting orders in the name of another Brand Partner without the other Brand Partner's prior written approval. The Brand Partner must provide a copy of written approvals to the Company upon request.

9.09 Use of Another Individual's Credit Card

A Brand Partner should not use another individual's credit card to order products, services or the Company's sales materials without the individual's prior written approval. The Brand Partner must provide a copy of written approvals to the Company upon request.

9.10 Direct Purchase

Brand Partner may purchase Brand Partner's product needs directly from the Company. Should a Brand Partner obtain product from Brand Partner's Sponsor or upline Brand Partner's personal inventory and a replacement product order is not placed and processed through the Company, no commissions or overrides will be paid by the Company on such transactions.

9.11 Payment Options

Purchases may only be paid by cash, wechat pay, debit card, or credit cards, unless specifically stated otherwise by the Company.

9.12 Shipping and Handling

It is the ordering Brand Partner's sole responsibility to indicate (a) the method and means of shipping and (b) the destination address.

9.13 Product Delivery

Upon clearance of payment, the Company processes for shipment the products and materials ordered. If an item is temporarily not available ("TNA"), the consignee will be notified on the packing list included with the shipment. If a TNA should occur, the item(s) will be shipped as soon as available and usually within ten (10) days of the date the original order was received. Back orders may be cancelled by Brand Partner by written request received by the Company prior to shipment.

9.14 Damaged Goods

The shipping company is responsible for any damage that occurs after it takes physical custody of the products. Therefore, it is important that the damage is reported promptly in order to allow the Company to file a claim with the shipper. The purchaser of Company products who receives damaged goods shall comply with the following procedures:

- a) Accept delivery;
- b) Before the courier leaves, note on the delivery receipt the number of boxes that appear to be damaged and require the courier to acknowledge the damage in writing;
- c) Save the damaged products or boxes for inspection by the shipping agent; and
- d) Contact the Company to arrange for a replacement order to be shipped and a damaged goods claim to be filed.

9.14 Price Changes

Prices for the Company's products, services and literature are subject to change without prior notice.

9.15 Shipping Loss

The Company will track all deliveries shipped. The Brand Partner should contact the Company immediately upon being made aware of any shipping problem.

9.16 Receipts for Retail Pricing

Brand Partner will provide all retail purchasers of the Company products with written receipts. Although the Company provides a recommended retail price as a guideline, Brand Partner may sell the Company products at whatever retail price they and their customers may agree upon. It is suggested the price not set below the Preferred Customer price.

9.17 Shipping Loss

The Company will track all deliveries shipped. Brand Partner should contact the Company immediately upon being made aware of any shipping problem.

9.18 Inaccurate Delivery

If a product is shipped in error by the Company, the unordered merchandise may be returned at the Company's expense, provided the following steps are taken:

- a) Brand Partner or retail customer notifies the Company within five (5) days of receipt of the order;
- b) A copy of the shipping or packing slip shall be enclosed with the proper forms required by the Company completed and executed by Brand Partner or retail customer; and
- c) Products shall be returned in original containers and shall be packed properly to prevent damage in return shipment.

9.19 Refused Shipments

Should Brand Partner refuse delivery on any order placed with the Company, the Company shall have the right to place Brand Partner in suspension pending resolution of the refusal of delivery. Neither Brand Partner nor a retail customer shall refuse any shipment from the Company unless prior approval of the Company has been obtained. Should the receiving party of any order shipped from the Company refuse to accept delivery and the shipment is returned to the Company, the ordering Brand Partner's status will be suspended pending resolution of the delivery refusal. Non-accepted delivery charges will be debited to Brand Partner's account. If the Company determines that a valid reason exists for refusing shipment, it will instruct the Brand Partner or retail customer on the proper procedure for a return.

9.20 Retail Outlets

The integrity of the Company's marketing plan is built upon person-to-person, one-on-one and in-home presentation methods of sale. Selling Company products through any chain of retail stores, including but not limited to drugstores, pharmacies, supermarkets, health food stores, shopping mall booths and the like, restaurants or online shopping platforms including, but not limited to, Taobao, Yahoo, eBay, Carousell, Craigslist, etc. is strictly prohibited. Selling Company products by Brand Partners through retail outlets or professional offices that are not part of chains and are owned or operated by the Brand Partner is acceptable upon written approval by the Company.

9.21 Service-Oriented Establishments

It is permissible to take orders for Company products in businesses such as health spas, health resorts or similar establishments.

9.22 Medical Offices

Medical doctors and other health professionals may sell Company products from their offices only if the doctor or health professional is a Brand Partner.

9.23 Trade Shows

With written authorization from the Company, Company products or services and opportunity may be displayed at trade shows by Brand Partners. Request for participation in trade shows must be received in writing by the Company at least two (2) weeks prior to the show. Written authorization from the Company must be received before participating in the trade show. Unless written authorization is secured from the Company, Company products or services and opportunity are the only products or services and/or opportunity that may be offered in the trade show booth. Only Company produced marketing materials may be displayed or distributed. No Brand Partner may sell or promote the Company's products or services or business opportunity at flea markets, swap meets or garage sales. Company tradeshow authorization does not guarantee exclusive participation in any tradeshow.

9.24 International Sales

No Independent Brand Partner may export or sell directly or indirectly to others who export the Company's products, literature, sales tools or promotional material relating to the Company, its products or services or the Company's program from the Hong Kong Special Administrative Region of the People's Republic of China to any other country. Independent Brand Partners who choose to sponsor internationally may do so only in countries in which the Company has registered to operate its business and must comply fully with the Rules of Operation of a Company Brand Partner in that country. Any violation of this rule constitutes a material breach of this contract and is grounds for immediate termination of the Brand Partner position. In addition, Brand Partners may only resell products or services in their Resident Country. The products or services they resell must also be purchased from the Company in their Resident Country, and they may not resell products in their Resident Country that they acquire from the Company in a Non-Resident Country.

9.25 Product/Services Claims

Brand Partner shall make no claim, representation or warranty concerning any product or service of the Company, except for those contained in the official Company materials. Brand Partner can only promote benefits of Nerium products using language contained in the official Company materials. Brand Partners may not make any medical, therapeutic, curative or treatment claims regarding any Nerium product. Brand Partners may only use “Before” and “After” photos provided by the Company. The use of any unauthorized “Before” and “After” photos is prohibited.

9.26 Promotional Items

All promotional items that bear the Company name or logo shall be purchased solely from the Company or its approved supplier unless prior written permission is obtained from the Company.

9.27 Telemarketing

Telemarketing is not allowed. It is defined by the World Federation of Direct Selling Associations that direct selling refers to the selling of products and services directly to consumers, usually at their homes, their work places, or places other than fixed retail outlets. Sales are typically made through presentations or demonstrations by direct selling representatives.

- a) Therefore, Brand Partners may not engage in telemarketing in the operation of their Company businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Company product or service or to recruit them for the Company opportunity. “Cold calls” made to prospective customers or Brand Partners that promote either Company products or services or the Company opportunity constitute telemarketing and are prohibited. However, a telephone call placed to a prospective customer or Brand Partner (a “prospect”) is permissible under the following situations:
- b) You may call family members, personal friends and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship within the preceding three (3) months. Bear in mind, however, that if you make a habit of “card collecting” with everyone you meet and subsequently call them, it may be considered a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice;
- c) The prospect’s personal inquiry or application regarding a product or service offered by the Brand Partner happens within the three (3) months immediately preceding the date of such a meeting;
- d) If the Brand Partner has an established business relationship with the prospect. An “established business relationship” is a relationship between a Brand Partner and a prospect based on the prospect’s purchase, rental or lease of goods or services from the Brand Partner or a financial transaction between the prospect and the Brand Partner within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service; and
- e) If the Brand Partner receives written and signed permission from the prospect authorizing the Brand Partner to call. The authorization must specify the telephone number(s) which the Brand Partner is authorized to call.
- f) In addition, Brand Partners shall not use automatic telephone dialing systems relative to the operation of their Company businesses. The term “automatic telephone dialing system” means equipment which has the capacity to (a) store or produce telephone numbers to be called, using a random or sequential number generator, and (b) to dial such numbers.

Section 10 (Retail Customer Returns and Refunds)

10.01 Retail Customer Guarantee

The Company offers a 100% money-back satisfaction guarantee to all retail customers within seven (7) days of purchase. If a retail customer is dissatisfied with any of the Company products for any reason, then that retail customer may return that product in its original package and shipping containers, with original proof of purchase, to the original selling Brand Partner for either a replacement or a full refund of the purchase price minus shipping. Customer is responsible for cost of return freight.

If the product was purchased directly from an Independent Brand Partner, the retail customer should contact them for a refund. The retail customer will need to return the product and original invoice to the Brand Partner, who will refund the product purchase price. The Brand Partner will then return the product to the Company for a replacement product.

If the product was purchased from a Brand Partner website, please contact the Company. In order to facilitate the return process, the Retail Customer is required to contact the Company to obtain a Return Preauthorization Number. This number must be written on the outside of the shipping box. If a package is returned without a Return Preauthorization Number, the refund may be delayed or refused.

In order to facilitate the return process, the Retail Customer is required to contact the Company to obtain a Return Preauthorization Number. This number must be written on the outside of the shipping box. If a package is returned without a Return Preauthorization Number, the refund may be delayed or refused.

10.02 Warranties

Except as expressly stated herein, to the maximum extent permitted by law, the Company makes no warranty or representation as to the merchantability, fitness for a particular purpose, workmanship or any other warranty concerning any product or service purchased from or through the Company. The manufacturer's warranty will be transferred to Brand Partner.

10.03 Retail Customer Refunds

The Company will replace the returned retail product to the Brand Partner provided the following procedures and conditions are met:

- a) The product shall be returned to the Company by the Brand Partner who purchased it from the Company within thirty (30) days of the date of the original purchase;
- b) Brand Partner shall obtain a return authorization number from the Company customer service department within seven (7) days of the return date to Brand Partner and prior to returning any product; and
- c) The product shall be received by the Company within twenty (20) days of the return date to Brand Partner.
- d) The return shall be accompanied by the following:
 1. A signed statement from the retail customer identifying the reason for the return;
 2. A copy of the original retail sales receipt;
 3. The unused portion of the product is returned in its original container; and
 4. The name, address and telephone number of the retail customer.
- e) Proper shipping carton(s) and packing materials shall be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested.
- f) The Brand Partner will pay the cost of shipping replacement product(s).

The Company will replace the product, but will not refund to any Brand Partner the purchase price of any retail customer returns.

10.04 Quality Control

The Company will replace, within thirty (30) days of purchase, any product found to be defective; however, no product shall be returned to the Company without prior written approval. Exchanges only. No Refunds.

- a) A written replacement request shall be submitted stating the reason for the request and accompanied by a copy of the Purchase Order Form or packing slip. Product returned without prior authorization will not be accepted.
- b) The Company will provide the Brand Partner with a return authorization number and will instruct Brand Partner where to ship the product for inventory verification. Upon receipt and verification of the product, the Company will ship out replacement product as appropriate.
- c) The Company will not replace any product previously certified by Brand Partner as sold under the 70% Rule, sold at a special discount or sold as a promotional item

10.05 Preferred Customers and Brand Partner Product Returns

Unless otherwise required by applicable laws, if the date of product return for refund is thirty (30) days within the date of the original purchase, as long as the single products and specific packs (except promotional packs, promotional materials, sales aids) were sold to a Brand Partner directly by the company, unopened and in marketable condition, the company will refund to the Brand Partner 90 percent of the purchase price less applicable commissions and bonuses. Original shipping costs are not refundable and the Brand Partner will be responsible for the cost of return freight. If the product packaging has been opened, it is not considered to be marketable. In order for the Company to correctly back out the applicable commissions and bonuses paid on the returned products, the Brand Partner must provide the sales invoice with the order number to the Company at the time the Brand Partner requests a refund. The form of the refund will be based on the original form of payment, if practicable. If payment was previously made by credit card, a credit card charge back will be arranged. The Company may choose other alternative refund methods as it deems fit. The return of products may affect the Brand Partner's eligibility to receive commissions and bonuses, and rank. It may also result in the company recovering from the uplines the commissions and bonuses paid for the order.

The Company will not issue a refund of products previously certified as having been sold under the 70% Rule.

A Brand Partner can only apply for the return and refund of the said products he/she purchased directly from the company. The Company does not provide refunds for products purchased from another Brand Partner. He/she must seek a refund directly from the Brand Partner who sold him/her such products..

10.06 Termination Returns

Brand partners who wish to terminate their business relationship with the Company, section 10.05 also applies on their product returns and refunds, but their product return and refunds must be processed prior to the termination of the account.

Section 11 (General Provisions)

11.01 Indemnity Agreement

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

11.02 Other Services and Products

No products or services, except for the Company's products or services, shall be sold or shown by Brand Partner at any event where the Company's product or services are sold or shown. Except as provided above, a Brand Partner is not restricted from selling other companies' services and products that are not similar to or competitive with the products and services of the Company. However, promotion of direct sales and/or network marketing programs and/or competitive services or products with anyone are strictly prohibited.

11.03 Limit on Liability

To the maximum extent permitted by law, the Company shall not be liable for and Brand Partner releases the Company from and waives all claims for any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by Brand Partner as a result of (a) the breach by Brand Partner of the Agreement and/or the terms and conditions of the Policy Manual; (b) the operation of Brand Partner's business; (c) any incorrect or wrong data or information provided by Brand Partner; (d) any copyright violation in connection with materials provided by Brand Partner; or (e) the failure to provide any information or data necessary for the Company to operate its business, including, without limitation, the enrollment and acceptance of Brand Partner into the Compensation Plan or the payment of commissions and bonuses.

11.04 Limitation of Damages

To the maximum extent permitted by law, the Company and its affiliates, officers, directors, employees and other representatives shall not be liable for and Brand Partner hereby releases the foregoing from and waives any claim for loss of profit, incidental, special, consequential or exemplary damages which may arise out of any claim whatsoever relating to the company's performance, non performance, act or omission with respect to the business relationship or other matters between any Brand Partner and the Company, whether sounding in contract, tort or strict liability. Furthermore, it is agreed that any damages to Brand Partner shall not exceed and is hereby expressly limited to, the amount of unsold Company programs, services and/or products of the Company owned by Brand Partner and any commissions owed to Brand Partner.

11.05 Record Keeping

The Company encourages Brand Partner to keep complete and accurate records of all Brand Partner's business dealings.

11.06 Non-Solicitation

Brand Partner acknowledges and agrees that the only way to protect the goodwill, confidential, proprietary and trade secret information of Company and the integrity and stability of the sales force created by other Brand Partners is to prohibit all Brand Partners from recruiting and soliciting of other Brand Partners to other companies during the term of the Agreement and for a reasonable time thereafter. Consequently, in consideration for all of the rights granted by the Agreement, including the protection this non-solicitation provision affords to Brand Partner, for the term of the Agreement and for six (6) months after termination hereof, for any reason, Brand Partner agrees not to, directly or indirectly, recruit or solicit any of Company's other Brand Partners to join other direct sales, multi-level or network marketing companies. For the term of this Agreement and for six (6) months after termination hereof, for any reason, Brand Partner agrees not to sell any product that is the same or similar to or competes with the products of Company within the Hong Kong Special Administrative Region of the People's Republic of China or any other country where Company sells its products.

Brand Partner agrees not to solicit, directly or indirectly, Company's Brand Partners to purchase services or products, except those of Company, throughout the term of the Agreement.

11.07 Amendments

The Company reserves the right to amend the Agreement, Policy Manual, its retail prices, product availability and the Compensation Plan at any time without prior notice as it deems appropriate. Amendments will be communicated to Brand Partner through the Company's official publications, by posting on the Company's website or voice and/or e-mail. Amendments are effective and binding on Brand Partner and the Company thirty (30) days after notice. All amendments are prospective and do not apply to incidents, occurrences or proceedings occurring before the effective date of the amendment. In the event any conflict between the original documents or policies and any such amendment, the amendment will control.

11.08 Non-Waiver Provision

No failure of the Company to exercise any rights under the Policy Manual or to insist upon strict compliance by Brand Partner with any obligation or provision herein, and no custom or practice of the parties at variance with this Policy Manual, shall constitute a waiver of the Company's right to demand exact compliance with this Policy Manual. The Company's waiver of any particular default by Brand Partner shall not affect or impair the Company's rights with respect to any subsequent default, nor shall it affect any way in the rights or obligations of any other Brand Partner. Nor shall any delay or omissions by the Company to exercise any right arising from a default affect or impair the Company's rights as to that or any subsequent default. Waiver by the Company can be affected only in writing by an authorized officer of the Company.

11.09 Arbitration

- a) Except as expressly set forth herein, all disputes, claims or causes of action relating to or arising from any Independent Brand Partner Application, Nerium International Terms of Agreement, Company's Policies and Procedures, this Policy Manual and any other Company policies, products and services, the rights and obligations of Company and Brand Partner or any other disputes, claims or causes of action between Brand Partner and any of its officers, directors, employees or affiliates and Company or any of its officers, directors, employees or affiliates whether in tort or contract, shall be settled totally and finally by arbitration in Dallas, Texas, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, including the optional rules for emergency measures of protection which Company may use, in addition to or instead of the procedures set forth in section (c) below. The arbitration shall be conducted before a single arbitrator and shall not be conducted on a class-wide, class action or multiple complaining-party basis.
- b) Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity or registration of any mark or other intellectual property or proprietary or confidential information of the Company without the Company's prior written consent. The Company may seek any applicable remedy in any applicable forum with respect to these disputes and with respect to money owing to the Company. In addition to monetary damages, the Company may obtain injunctive relief against Brand Partner for any violation of the Agreement or misuse of the Company's trademark, copyright or confidential information policies.
- c) Nothing in this rule shall prevent the Company from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other injunctive or emergency relief available to safeguard and protect the Company's interests prior to the filing of or during or following any arbitration or other proceeding or pending the handing down of a decision or award in connection with any arbitration or other proceeding. Brand Partner hereby agrees that violation of the prohibition on use or disclosure of trade secrets, proprietary or confidential information or the prohibition of the non-solicitation and non-disparagement provisions herein stated will cause Company irreparable injury for which there is no adequate remedy at law and hereby agrees to the entry of an ex parte temporary restraining order, preliminary and permanent injunction or any other emergency remedy necessary to prevent said violation.
- d) Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to or to subtract from any of the provisions of the Agreement, the terms of this Policy Manual or the Compensation Plan.

11.10 Entire Agreement

This Policy Manual is incorporated into the Agreement, along with the Compensation Plan, and constitutes the entire agreement of the parties regarding their business relationship.

11.11 Governing Law, Jurisdiction and Venue

The Agreement, including this Policy Manual, shall be governed by the laws of the State of Texas, except that any conflict-of-law rule that may require reference to the laws of some other jurisdiction shall be disregarded. The parties further agree that, subject to and without waiver of the requirements of the agreement to arbitrate contained in paragraph 11.09 above, the state and federal courts located in Dallas County, Texas shall be the exclusive forum for litigation of any dispute between or among Brand Partner and any of its officers, directors, employees or affiliates and Company or any of its officers, directors, employees or affiliates, that is permitted to be litigated in court under paragraph 11.09. The parties irrevocably waive any right any of them may have to assert that venue or jurisdiction for any such litigation should lie elsewhere, including, but not limited to, any objection based on forum non conveniens or personal jurisdiction. The parties intend this provision to be a binding, mandatory and exclusive forum-selection clause, subject to and without waiver of the agreement to arbitrate.

11.12 Force Majeure

The Company shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as strikes, labor difficulties, fire, war, government decrees or orders or curtailment of a party's usual source of supply.

11.13 Notice

Any communication, notice or demand of any kind whatsoever, which either Brand Partner or the Company may be required or may desire to give or to serve upon the other shall be in writing and delivered by electronic communication whether by telex, telegram, email or fax (if confirmed in writing sent by registered or certified mail, postage pre-paid, return receipt requested or by personal service). Any party may change its address for notice by giving written notice to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to have been given or served on the date personally served by personal service, on the date of confirmed dispatch if by electronic communication, or on the date shown on the return receipt or other evidence if delivery is by mail.

11.14 Severability

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

11.15 Violations

It is the obligation of every Brand Partner to abide by and maintain the integrity of this Policy Manual. If Brand Partner observes another Brand Partner committing a violation, such Brand Partner should discuss the violation directly with the violating Brand Partner. Any violations reported to the Company shall follow the Company's reporting procedures and may be reported by email to the Company at hk.support@nerium.com.

Section 12 (Code of Professional Ethics)

Nerium international, LLC., believes that its Brand Partners should subscribe to the principles of fairness, honesty, integrity and service. The relationship of the company to Brand Partner, Brand Partner to customer and Brand Partner to others should be preserved, protected and promoted in accordance with the highest standards of conduct. Therefore, Brand Partner agrees to abide by and subscribe to the code of professional ethics (the "code of ethics") contained in this section twelve.

AS A BRAND PARTNER, I AGREE THAT:

- 12.01** I will be honest and fair in all my dealings while acting as a Brand Partner of the Company.
- 12.02** I will respect the time and privacy of the people I contact to become retail customers or Brand Partners of the Company. I will be courteous and respectful to every person contacted in the course of my Company business.
- 12.03** I will perform all my professional activities in a manner that will enhance my reputation and the reputation of the Company.
- 12.04** I will fulfill my leadership responsibilities as a Sponsor, including training and otherwise supporting Brand Partners in my sales organization.
- 12.05** I will not engage in any deceptive or illegal practice, or any practice prohibited by the Agreement or the Policy Manual. I will not make diagnostic, therapeutic or curative claims for the Company's products.
- 12.06** I will not make any claims not contained in official Company literature. I will represent only that "each body is unique and responds uniquely to different products," remembering that even my personal experience with the product may be interpreted as an "extension of labeling claims" if I use those experiences as a sales device.
- 12.07** I will make no income claims or representations regarding the Company Compensation Plan, remembering that ideal projections of the Company Compensation Plan are unrealistic. No network is grown in a perfect geometric progression and therefore it is impossible to predict incomes. Further, a Brand Partner's success depends on many variables such as the amount of time committed to their business and the degree of organizational ability.
- 12.08** I understand and agree that I am solely responsible for all financial and/or legal obligations incurred by me in the course of my business as a Brand Partner of Nerium International, including self-employment taxes, income taxes, sales taxes, license fees, and related personal fees.
- 12.09** I will always honor the Company's 100% satisfaction, thirty (30) day money back guarantee when dealing with my retail customers.
- 12.10** I understand and agree that capitalism is one of the most competitive economic systems in the world; I will compete aggressively but fairly, and I will respect the professionals of other network marketing companies. I will not solicit from the proprietary rolls or "genealogical" printouts of other network marketing companies. I will not use sales materials or professional associations that may be regarded as proprietary by other companies. The Company seeks to promote the reputation of all reputable network marketing companies that are furthering the cause of personal independence for their Brand Partners.
- 12.11** A Brand Partner shall engage in no conduct which negatively impacts, disrupts or impairs the reputation or business of the Company or other Brand Partners, including, but not limited to: disparagement of the Company, its Officers or Employees or other Brand Partners; manipulation of the Compensation Plan; undermines or is at odds with the training systems utilized by and authorized by the Company; conduct which is abusive, disrespectful or intimidating of other Brand Partners, Customers, Employees or Affiliates of the company; conduct that undermines the relationship between the Company and Brand Partners or relationships between Brand Partners; conduct which is false, fraudulent, dishonest or deceptive in any way; or any other conduct which the Company deems disreputable or, in anyway, negatively impacts the Company or other Brand Partners.