



# New Zealand Policies & Procedures

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 & 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 honors all 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.

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## 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:

- a) 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 Australian and New Zealand head office in Adelaide, South Australia. NZ Email address nzsupport@nerium.com, NZ postal address PO Box 91572, Victoria Street West, Auckland 1142, New Zealand.
- b) The applicant purchases 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.
- c) 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 authorised 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

A Brand Partner shall be of the legal age of 18 to enter into a binding contract.

### 1.05 Common Address

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

### 1.06 Couples

Married couples, defacto couples and couples in civil union 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 cheques 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 cheques 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 Partnerships, Limited Liability Companies, and Trusts.**

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

- a) Company constitutions, 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) An NZBN (New Zealand Business Number)
- 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.

**1.08.1 Associate**

Associate in relation to a Brand Partner means: if any said person is in a position of control and acts either formally or informally in accordance with the directors' wishes, instructions or directions whether alone or in accordance with a Brand Partners business then they are deemed an Associate – i.e. spouse, partner, shared living acquaintance etc. An associate is deemed such in accordance with New Zealand Income Tax Act (2007).

**1.09 Non-Profit Organisations**

Non-profit organisations, recreational clubs, school organisations, religious affiliate groups or charitable organisations are excluded from applying to be or being appointed as a Brand Partner or holding a Brand Partner account.

**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 Independent Contractor Status**

A Brand Partner is an independent contractor. A Brand Partner is not a franchisee, joint venture partner, business partner, employee or agent of the Company, and Brand Partners are prohibited from stating or implying, whether orally or in writing, otherwise. Brand Partners have no authority to bind the Company to any obligation. The Company is not responsible for payment or co-payment of any employee benefits. Brand Partners are responsible for liability, health, disability and workers compensation insurance. Brand Partners set their own hours and determine how to conduct their Nerium dealings subject to the Agreement and the Policy Manual.

**1.12 Independent Reseller Status**

A Brand Partner who purchases and on-sells Nerium products is an Independent Reseller and their agreement between Nerium does not constitute an employer/employee relationship, agency, partnership, franchisee, or joint venture for purposes of New Zealand law, including New Zealand tax law.

As an independent Reseller, a Brand Partner will not be treated as an employee for any purpose including, but not limited to, Kiwisaver, ACC levy or insurance. Each Brand Partner is encouraged to establish their own goals, hours, and methods of sale, so long as they comply with applicable laws and the terms and conditions of the Brand Partner Agreement.

**1.12.1 Taxation**

Each Brand Partner is solely responsible for the taxation affairs and obligations of their appointment to Nerium – Nerium shall have no liability whatsoever for the taxation affairs of the Brand Partner in relation to their Nerium business, except as required by law. Each Brand Partner is encouraged to seek their own independent taxation advice for and in relation to their appointment and are responsible for paying their own income and employment taxes.

### **1.12.2 Operating Nerium as a GST Registered Business**

It is incumbent upon the Brand Partner to notify Nerium of their current business status if the Brand Partner operates Nerium as a Business via a Goods and Services Tax (GST) registered entity. Brand Partners are required to supply their GST number to Nerium. Nerium will then include the GST amount accrued by the Brand Partner's monthly commission and will generate a GST tax invoice for reporting purposes. In the event that the Brand Partner's GST status changes, then they must advise Nerium via the appropriate change in status form, located in the Nerium Brand Partner's back office.

#### **Registering for GST**

Brand Partners only need to register for GST if they are conducting a taxable activity. If you operate your Nerium business as an independent reseller and your activity regularly involves the supply goods and services to others, you may have to register for GST (voluntary).

However, if you have an annual turnover (Sales & Bonuses) of \$60,000 or more in your business, or you expect your turnover to be \$60,000 or more in the next 12 months, you must register for GST. Additionally, if you charge customers GST in your transactions then you must register for GST, even if your turnover is less than \$60,000. To register for GST; complete a GST registration (IR 360). Available online at [www.ird.govt.nz/gst](http://www.ird.govt.nz/gst) or for download at [www.ird.govt.nz](http://www.ird.govt.nz).

Note: If you're already GST-registered in another business and you're running your Nerium business part-time, then you are GST-registered for both businesses.

### **1.12.3 GST Registered Tax invoices**

If you're GST-registered, you must provide a tax invoice for any products you supply.

The following details must be on your tax invoice:

1. The words "tax invoice" in a prominent place
2. Your name (or trade name) and your GST number
3. The Date of issue and a description of the goods.
4. The total amount payable and either show the GST content separately or write "GST-inclusive".

Note: If the value of the goods (including GST) is over \$1,000 you must also show the name and address of the recipient and quantity of product supplied. To make a claim for GST paid on your purchases, you will need to provide a copy of the tax invoice from Nerium International.

### **1.13 Legal Compliance**

A Brand Partner shall comply with all relevant statutes, regulations, and law concerning the operation of Brand Partner's business. A Brand Partner is responsible for Brand Partner's own managerial decisions and expenditures including all estimated income and self-employment taxes.

### **1.14 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 New Zealand or any country in which the Company is approved to do business.

### **1.15 Third Party 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, services, marketing materials or marketing programs to any of the Company's Employees, Agents or Brand Partners at any event or gathering said to be a Nerium event. 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.

### **1.16 Cross-Group Sponsoring**

Actual or attempted "cross sponsoring" is not permitted. Nerium members deserve to enjoy the right of their relationship with the company without being solicited by other Brand Partners into another 'like' or competing third party entity. Cross sponsoring is defined as the transfer or attempted solicitation, enrolment or encouragement by a Brand Partner of another Brand Partner, who is not in their frontline business, to enrol or participate in another direct selling organisation that is a competitor to Nerium. This conduct constitutes recruiting even if the existing or former Brand Partner's actions are in response to an inquiry made by another Brand Partner or Customer.

### **1.17 Cross-Group Selling**

Sales 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.

### **1.18 Contacts**

Brand Partners are to limit all corporate communication to the office and staff of the Company. No direct contact is to be made with the Company's partners, suppliers, consultants, or hired professionals without the express written approval of the Company.

## **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**

Brand Partners must renew their status annually. The annual renewal fee is due on the Anniversary Date and the Company may require that the Brand Partner execute a new Agreement upon renewal. The Brand Partner may elect to have the Agreement automatically renewed by authorising the Company to debit their cheque account or charge their credit card for the renewal fee and their renewal will be confirmed by the Company. A Brand Partner who fails to renew by the renewal date, as provided herein, shall be deemed to have voluntarily terminated their Brand Partner 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 their Brand Partner status may not reapply under a new Sponsor for six (6) months after non-renewal.

If the Brand Partner Agreement is renewed, it is renewed for the next twelve (12) months. The Renewal Fee is non-refundable and Nerium reserves the right to vary the Renewal Fee at any time. Nothing in this Policy Manual modifies, negates or restricts a consumer's rights under the Consumer Guarantees Act 1993 (or successor legislation).

## **Section 3 (Sponsorship)**

### **3.01 Sponsoring**

A Brand Partner may sponsor other Brand Partners in any country in which the Company has authorised. As such they must comply with all applicable laws, policies and procedures of such countries. Sponsors shall ensure that each new Brand Partner has received, had access to, and understands the Country's specific Company Agreement, 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.

#### **International product**

Any Nerium product purchased outside of the country of origin, is done so under the 'Personal Import Scheme.' This is strictly for personal use only. As such this product may not be compliant with local law and must be labelled 'not-for resale' and should not be on-sold, retailed or promoted.

### **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 the Brand Partners they sponsor. A Sponsor shall maintain an ongoing professional leadership association with Brand Partners in the organisation and shall fulfil the obligation of performing a bona fide supervisory, distribution and selling function in the sale or delivery of products and services. Upon request, a Brand Partner must be able to provide the Company with evidence of ongoing fulfilment 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 any Brand Partner's income as an indication of the success assured to others, since income success depends upon many variables. Commission cheques may not be used as marketing materials. A Brand Partner shall not guarantee or estimate compensation, draws, expenses, or deductions attributable to the business to prospects. A 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. A Brand Partner may not guarantee commissions or estimate expenses to prospects. The Direct Selling Association of New Zealand (DSANZ) operates under the Fair Trading Act 1986, which prohibits certain types of income claims and testimonials made by persons engaged in relationship marketing. As a member of the DSANZ, Brand Partners need to adhere to applicable law when disclosing income, including the Fair Trading Act 1986 (or successor legislation), and should always refer to the Nerium Compensation Plan.

All amounts shown are in New Zealand dollars unless specified differently.

### **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, notarised 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 notarised 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 \$50.00 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 organisation. The 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 their Brand Partner 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 their Brand Partner 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, the Brand Partner's sales network shall automatically roll up to the first upline Brand Partner.
- d) For a period of six (6) months following the cancellation of their Brand Partner Agreement, regardless of the reason for resignation or cancellation, the former Brand Partner shall not recruit or attempt to solicit any Brand Partner or Personal Customer who is recorded on his or her current or past network report(s) or with whom he or she became acquainted with due to their participation as a 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 a Brand Partner, the Company will inform the 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 the 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 the Brand Partner's position as so determined by the Company in its sole discretion. If the 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 the Brand Partner from holding Brand Partner meetings or outings 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 to the Brand Partner during the suspension period;
- c) Prohibiting the Brand Partner from purchasing services and products from the Company; and/or
- d) Prohibiting the Brand Partner from sponsoring new Brand Partners, contacting current Brand Partners or attending meetings of Brand Partners.

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.

For the volume month in which the breach or alleged breach has occurred, bonus payments that have been paid to the Brand Partner by Nerium may be requested by Nerium to be refunded by the Brand Partner until a satisfactory resolution has been reached.

If the suspension is resolved, lifted or waived by Nerium in favour of the Brand Partner, then all entitlements to bonus payments and to benefits of the Brand Partner Account shall be reinstated from a nominated date.

#### **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 the Brand Partner on suspension, in the Company's sole discretion. The Brand Partner will be given notice of the opportunity to respond to Nerium asking to consider the issues relating to the grounds for termination. When the decision is made to terminate the Brand Partner, the Company will inform the Brand Partner in writing at the address in the Brand Partner's file that the termination has occurred effective thirty (30) days from the date of the written notification.

#### **4.04 Appeal**

If the 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 the Brand Partner files a timely notice of appeal, the Company will review the appeal and notify the 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 Brand Partner's Organisation - All Brand Partners and Customers in the downline below the terminated Brand Partner will be relocated by Nerium to the sponsor's first level ("front line"). Nerium reserves the right to not roll up a downline, or to delay that roll up if the case is being contested or if the Sponsor is also not complying with or may be in dispute with, Nerium for possible breach of Policy.

The Company has the right to offset any amounts owed by the Brand Partner to the Company from commissions or other bonuses due to the Brand Partner. The Company may also set 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 their 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, a Brand Partner may not sell, assign or otherwise transfer the Brand Partner's entity (or rights thereto) to another Brand Partner or to an individual who has an interest in the 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**

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 the 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, the 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, is in a defacto relationship with or joined in civil union to or is a dependent of a Brand Partner or who has any interest in a Brand Partner position.

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) The Company possesses the right of first refusal with respect to any sale, assignment, transfer or merger of any Brand
- b) 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,

All amounts shown are in New Zealand dollars unless specified differently.

the purchase price and terms of purchase and payment;

c) A transfer fee of \$50.00 shall accompany the transfer documents;

d) 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

e) Upon a sale, transfer or assignment being approved in writing by the Company, 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.

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.

#### **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 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 this Section Five, upon the death of a Brand Partner, the Brand Partner's position will pass to the Brand Partner's successors in interest as provided by law; however, the Company will not recognise 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 the Brand Partner confidential 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 the Brand Partner (including, but not limited to 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. All such information (whether in written or electronic form) is proprietary and confidential to the Company and is transmitted to the Brand Partner in strictest confidence on a "need to know" basis for use solely in Brand Partner's business with the Company. The Brand Partner shall use their best efforts to keep such information confidential and shall not disclose any such information to any third party, directly, or indirectly. The 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, the Brand Partner shall discontinue the use of such confidential information and promptly return any confidential information in their possession to the Company.

Brand Partners are not released from any claim or course of action that Nerium has or may have against the Brand Partner that may have accrued prior to or arising from termination or suspension.

#### **6.02 Copyright Restrictions**

With respect to product purchases from the Company, the 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. A 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**

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 authorised to produce and market products and literature under these trademarks. Use of the Company name on any item not produced or authorised by the Company is prohibited, except in the manner described below:

Mary Jones  
Independent Brand Partner  
NERIUM INTERNATIONAL, LLC Products

### **7.02 Telephone, Yellow and White Page Listing**

Brand Partners are not permitted to use the Company's trade name in advertising in the white or yellow page sections of the telephone book. Brand Partners are 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 Cheques**

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

### **7.04 Imprinted Business Cards or Letterheads**

Brand Partners are not permitted to "create" their 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 promotional and advertising materials that are Company-produced or approved in writing in advance may be used to advertise or promote a Brand Partner's business, or sell products or services of 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 the prior express written permission from the Company. The Company's literature and materials may not be duplicated or reprinted without the prior written permission of Company. The Company's consent or approval may be withheld at its sole discretion. Banners, trade show materials and the like must be approved in writing by the Company.

### **7.06 Internet**

The Company maintains a presence on the internet with its own website. Brand Partners are prohibited from using any trademarks of Company, including the name Nerium International, LLC, the Nerium International, LLC logo, 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 the 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 approve from Nerium International.

### **7.07 Protection of Minors**

The Nerium International 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 Nerium International 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 make reasonable efforts to delete it from our records. Upon request by a parent or guardian, Nerium International will provide a description of the specific types of personal information collected from a child who is under the age of 18.



## **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 Nerium International. These guidelines and policies are designed to ensure the uniformity and professionalism of the Nerium International brand which, in turn, benefits your business.
- b) Nerium International 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, etc.) you keep your comments relevant to all. Our blog (neriumblog.com) is a resource for you to ask questions related to the business side of Nerium International, 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 enrol 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.
- 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 Twitter 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 Nerium International, 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, 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 Nerium International from social networking profile(s) within ten (10) days.
- h) Should Nerium International 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.

### **7.09.1 Commercial Messages and Solicitation**

Brand Partners should not post any unsolicited commercial messages or SPAM to any person through use of a Nerium social media outlet. Brand Partners are encouraged to refer persons to their personalised Nerium web page or to the official Nerium web page, but should not try to do individual business transactions via social media sites. Brand Partners shall not solicit on Nerium company pages which are owned and operated by the Nerium corporate office and Nerium reserves the right to delete or remove any such content deemed to be solicitation, defamatory, derogatory or the like.

### **7.09.2 Products via other portals**

Brand Partners shall not offer Nerium’s products for sale via any other online medium other than the official Company site or from a BP’s own company supplied Personal Web Page.

## **7.10 Endorsements**

No endorsements by a Company officer or any third party may be asserted, except as expressly communicated in the Company literature and communications. Governmental or regulatory agencies do not approve or endorse direct selling programs. Such conduct may contravene the Fair Trading Act 1986 and be deemed a potential breach of Misleading and Deceptive conduct provisions with respect to false endorsements. Therefore, 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 governmental or regulatory agency.

## **7.11 Independent Communications**

Subject to the restrictions imposed by this Section Seven, Brand Partners are encouraged to distribute information and direction to their respective downlines; however, Brand Partners shall identify and distinguish between personal communications and the official communications of the Company.

### **7.11.1 Media Inquiries and Media**

Brand Partners must not respond to media inquiries regarding Nerium, its products or business. All inquiries of this nature must be referred back to Nerium’s corporate office. Similarly, Brand Partners must not place articles in any publication without express approval from Nerium’s head office.

### **7.12 Medical or Therapeutic Claims**

No medical claims (expressed or implied) may be made for any Company product by a Brand Partner. No therapeutic claims (including personal testimonials) of any Nerium products may be made except that which is approved in authorised company literature. In particular, a Brand Partner may not claim that Nerium products can assist in or are useful for treatment or prevention of medical conditions. Such statements may be perceived as advice of a medical or curative nature and may violate Nerium policies and may contravene the relevant laws and regulations, including the Medicines Act 1981, Medicines Regulations 1984 and the New Zealand and New Zealand Food Standards Code.

The Company recommends that customers under a physician's care or suffering from any chronic disorder should consult their physician before undertaking any changes in diet or when beginning any nutritional program. The Company's nutritional products are designed for augmentation, not replacement. The Company encourages all Company customers to seek the advice and counsel of nutritional and healthcare professionals.

### **7.13 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.

### **7.14 Repackaging Prohibited**

A Brand Partner may not repackage products or materials of the Company in any manner.

### **7.15 Recordings**

A 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**

A 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 unauthorised use of the Company copyrights, trademarks, and materials.

## **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 Launch Kit or for sponsoring Brand Partners.

### **8.02 Calendar**

Commissions, overrides, and bonuses are calculated and paid on the current pay period information. A Brand Partner is promoted to the highest rank in which they qualify 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**

Monthly commission and bonuses are paid two (2) weeks following the end of each pay period. Should the payment day fall on a legal holiday or weekend, commissions and override payments will then be made on the next regularly scheduled business day. Weekly commissions and bonuses are paid ten (10) days following the close of the commission period. Commissions are paid to "qualified" Brand Partners as defined in the Compensation Plan. The Compensation Plan sets forth a detailed explanation of the benefits and the commission structure.

Errors: If a Brand Partner believes an error may have been made regarding commissions or bonuses, they must notify Nerium's Operations Department in writing within sixty (60) days of the date of the reported error or incident in question. Nerium will not be liable for any errors, omissions or problems not reported to the Company within this time frame.

### **8.04 Minimum Payment**

The minimum amount for payment of commissions and overrides is \$15.00; all monies not paid will be included in the next bonus payment. Processing fees vary based on payment option 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.

### **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 recognises that Brand Partners will purchase products for their 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, the 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 at wholesale. 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 retail 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 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 written authorisation from the customer. If a Nerium International 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 Nerium International Brand Partner for any reason. No exceptions.

#### **9.06 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.

#### **9.07 Direct Purchase**

Brand Partners may purchase their 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.

#### **9.08 Payment Options**

Purchases may be paid by either Visa or MasterCard credit cards, unless specifically stated otherwise by the Company. Pre-printed name, physical address and phone number must be on all cheques. Personal cheques will be accepted only for payments in the amount not greater than \$1,000. In the event a cheque or credit card is declined, Brand Partners will be contacted for an alternate form of payment and may be subject to an additional processing fee. No orders will be shipped without prior payment. Nerium reserves the right to charge an administration or reversal fee, equal to and no less than that charged by Nerium's bank for insufficient funds in credit accounts, or for dishonoured cheques and the like, at its discretion.

Any outstanding balance owed by a Brand Partner for a dishonoured cheque may be withheld from subsequent bonus payments. Nerium may also then decline any future orders from the offending Brand Partner until any outstanding debit balances have been cleared.

#### **9.09 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.

All amounts shown are in New Zealand dollars unless specified differently.

#### **9.10 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 and payment was received. Back orders may be cancelled by the Brand Partner by written request received by the Company prior to shipment.

#### **9.11 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 Nerium International 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 driver leaves, note on the delivery receipt the number of boxes that appear to be damaged and require the driver to acknowledge the damage in writing.
- c) Save the damaged products or boxes for inspection by the shipping agent.
- d) Contact Nerium International Support Department to arrange for a replacement order to be shipped and a damaged goods claim to be filed.

#### **9.12 Price Changes**

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

#### **9.13 Receipts, Retail Pricing**

The Brand Partner will provide all retail purchasers of the Company products with written receipts. Although the Company provides a suggested retail price as a guideline, the Brand Partner may sell the Company products at whatever retail price they and their customers may agree upon.

#### **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 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.

#### **9.17 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 the 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.

#### **9.18 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 stores, pharmacies, supermarkets, health food stores, shopping mall booths and the like, or restaurants, 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.

However, in such cases the products need to be sold behind the counter or in private consulting rooms not visible or accessible by the public. Such businesses include health spas, skin salons, health clubs and offices of health care practitioners who are licensed to practise their profession. Also, the establishment must have a Brand Partner who is knowledgeable about Nerium's products and who needs to be present during the establishment's opening hours.

#### **9.19 Service-Oriented Establishments**

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

### **9.21 Trade Shows**

With written authorisation 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 authorisation from the Company must be received before participating in the trade show. Unless written authorisation 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.

### **9.22 International Sales**

No independent Brand Partner may export or sell directly or indirectly to others who export the Company's products, literature, sales aids or promotional material relating to the Company, its products or services or the Company's program from the United States or its possessions or territories 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.

### **9.23 Product/Services Claims**

A Brand Partner shall make no claim, representation or warranty concerning any product or service of the Company, except those expressly approved in writing by the Company or contained in the official Company materials.

### **9.24 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.

### **9.25 Telemarketing**

Although telemarketing is not prohibited by law, the New Zealand Marketing Association (NZMA) operates a "do not mail" and "do not call" register. Businesses who are members of the NZMA are required to ensure they do not contact people on these lists.

Brand Partners must 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:

- a) 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.
- b) The prospect's personal inquiry or application regarding a product or service offered by the Brand Partner, within the three (3) months immediately preceding the date of such a meeting.
- c) 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.
- d) If the Brand Partner receives written and signed permission from the prospect authorising the Brand Partner to call. The authorisation must specify the telephone number(s) which the Brand Partner is authorised to call.

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.

#### **9.25.1 Anti-Spam**

The Unsolicited Electronic Messages Act 2007 was introduced to prevent and regulate the sending of unsolicited commercial electronic messages. These include but are not limited to email, texts, faxes and all forms of messaging to other digital devices. Brand Partners are advised to familiarise themselves with the Act and comply. Broadly:

- a) The Act applies to all persons and organisations and prohibits the sending of commercial electronic messages without the consent of the recipient. The content of which may offer to supply, advertise or promote goods (e.g. promotions or special offers) or the Nerium business opportunity.
- b) Where an electronic message is void of content of a commercial nature but does harbor links to a commercial website then this may also constitute a breach within the Act. Therefore updates and newsletters may fall within this category, however it will depend on their nature and the intent.
- c) All commercial electronic messages sent by or on behalf of a Brand Partner must be sent with the recipient's consent and include accurate and up-to-date contact details of the sender. Additionally there should reside an unsubscribe function so the receiver has the choice to withdraw from the mailing.

d) Brand Partners should also note that the supply, acquisition and use of address-harvesting software that searches the internet for electronic addresses, and then proceeds to use the list, is not permitted by Nerium.

For further information about the Act, Brand Partners should seek independent legal advice and the Department of Internal Affairs' website (<http://www.dia.govt.nz/services-anti-spam-index>).

### **9.25.2 Door Knocking/Canvassing**

Brand Partners are advised to conduct business online and are discouraged from canvassing Door/Door. This practice is bound by the Fair Trading Act 1986 (FTA), and should Brand Partners pursue this course it is incumbent on them to familiarise themselves and comply with their obligations under the FTA and the Consumers Guarantees Act 1993 (CGA). The full text of the FTA and CGA is available on the NZ Government site [www.legislation.govt.nz](http://www.legislation.govt.nz). Brand Partners who apply uninvited direct sales techniques, must comply with their obligations under the CGA and FTA. This includes complying with rules around the negotiation of a sale, disclosure cancellation and enforcement of an agreement. This information is provided as a guide only and does not constitute legal advice, that if required it is incumbent on the Brand Partner to seek and obtain legal advice. Brand Partners are also encouraged to read the Commerce Commission's fact sheet on Door-To-Door and Telemarketing Sales at: [www.comcom.govt.nz/fair-trading/fair-trading-act-fact-sheets/door-to-door-and-telemarketing-sales/](http://www.comcom.govt.nz/fair-trading/fair-trading-act-fact-sheets/door-to-door-and-telemarketing-sales/).

## **Section 10 (Retail Customer Returns)**

### **10.01 Retail Customer Guarantee**

The Company offers a 100% money-back satisfaction guarantee to all retail customers within thirty (30) 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. Nothing in this Section 10.01 modifies, negates or restricts a consumer's rights under the Consumer Guarantees Act 1993 (or successor legislation).

### **10.02 Warranties**

Except as expressly stated herein, 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 the Brand Partner. Nothing in this Section 10.1 modifies, negates or restricts a consumer's rights under the Consumer Guarantees Act 1993 (or successor legislation).

## **Consumer Rights**

### **10.03 Consumer Law**

All Nerium transactions must comply and align with the Fair Trading Act 1986 and Consumer Guarantee Act 1993. Nerium encourages all Customers to purchase products directly from Nerium who will provide all official sales receipts. However, if a Brand Partner chooses to sell any Nerium products directly to a Customer, it then becomes incumbent on the Brand Partner to comply with the Fair Trading Act 1986 and the Consumer Guarantees Act 1993.

### **Purchase Agreements, Sales Receipts and GST**

A Purchase Agreement must include:

- (1) The date of the transaction
- (2) Cancellation rights and details
- (3) The name and address of the selling Brand Partner
- (4) A Brand Partner Tax Invoice with each Customer order. Note: Brand Partners who are registered for GST purposes must charge GST, and this needs to be clearly visible on the invoice.  
(Brand Partners who are not registered under and for the purposes of the Goods and Services Tax Act cannot charge GST to a Customer and must supply a Nerium Customer Receipt with each customer order).

### **10.04 Retail Customer Returns**

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 authorisation number from the Company customer service department within ten (10) days of the return date to Brand Partner and prior to returning any product.
- c) The product shall be received by the Company within twenty (20) days of the return date to the 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, if possible, 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. Nothing in this Section 10.04 modifies, negates or restricts a consumer's rights under the Consumer Guarantees Act 1993 (or successor legislation).

#### **10.05 Quality Control**

Nerium will replace, within twelve (12) months of purchase, any product found to be defective; however, no product shall be returned to Nerium without prior written approval. Exchanges only. No Refunds. Product returned without prior authorisation will not be accepted. Nerium will provide the Brand Partner with a return authorisation number and will instruct the Brand Partner where to ship the product for inventory verification. Upon receipt and verification of the product, Nerium will ship out replacement product as appropriate. Nerium will not replace any product previously certified by a Brand Partner as sold under the 70% Rule, product obtained as demonstration, or promotional items i.e. via Nerium Gives Back or the 3UR Free type programs. Nothing in this Section 10.05 modifies, negates or restricts a consumer's rights under the Consumer Guarantees Act 1993 (or successor legislation).

#### **10.06 Termination Returns**

A Brand Partner who terminates their Brand Partner's business relationship with the Company has the right to return products purchased within the previous thirty (30) days. Nerium will not issue a refund nor replace any product if the refund is deemed to violate the 70% rule. No refunds will be issued unless a Brand Partner is in strict compliance with the procedures contained herein. Commissions and bonuses that were paid to the Brand Partner may be deducted from their refund. The Brand Partner needs to contact the Nerium Customer Service department to obtain a return authorisation number before returning the product. Unauthorised returns will not be accepted. Brand Partners are responsible for shipping of the product back to Nerium at their expense.

### **Section 11 (General Provisions)**

#### **11.01 Indemnity Agreement**

The 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 Lawyer's 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 (c) violation of or failure to comply with any applicable law or regulation.

#### **Treatment Risk**

If a Brand Partner offers their services as a specialist in skincare or as a beautician or the like, Nerium advises that the Brand Partner should arrange their own Public and Product Liability Insurance including Treatment Risk Cover. Nerium does not cover insurance claims that may arise from any such treatment and therefor absolves itself from the legal liability of the same.

Brand Partners must not use 'skin analysis' or 'skin scanning' devices or any other diagnostic techniques or equipment for the promotion and sale of Nerium products without express permission from Nerium. Nerium will not accept any responsibility for the use or misuse of such equipment or techniques and nor will its insurers.

#### **11.02 Other Services and Products**

No products or services except for the Company's products or services shall be sold or shown 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 extent permitted by law, the Company shall not be liable for and the 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 enrolment and acceptance of Brand Partner into the Compensation Plan or the payment of commissions and bonuses.

#### **11.04 Limitation of Damages**

TO THE 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 WAIVE 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 the 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 Recordkeeping**

The Company encourages the Brand Partner to keep complete and accurate records of all Brand Partner's business dealings, including for compliance with tax laws.

#### **11.06 Non-Solicitation**

As an inducement for the Company to enter into this Agreement and in consideration of the mutual covenants contained herein, Brand Partners shall not, directly or indirectly, on their own behalf or on the behalf of any other person or entity, solicit, induce or hire any Brand Partner, employee, member, customer, supplier, consultant, sub-contractor or vendor of the Company.

#### **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 the Brand Partner through official Company publications, by posting on the company website, or voice and/or e-mail. Amendments are effective and binding on the Brand Partner as of the date of issuance. 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 power under the Policy Manual or to insist upon strict compliance by the 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 the Brand Partner shall not affect or impair the Company's rights with respect to any subsequent default, nor shall it affect in any way 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 authorised officer of the Company.

#### **11.09 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.

#### **11.10 Governing Law**

This Brand Partner Policies and Procedures Manual is governed by, and will be construed in accordance with, the laws in force in New Zealand and the parties irrevocably submit to the exclusive jurisdiction of the Courts of New Zealand in respect of all matters arising under, or in connection with, this Brand Partner Policies and Procedures Manual.

#### **11.11 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.

#### **11.12 Notice**

Any communication, notice or demand of any kind whatsoever, which either the 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 text, e-mail 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 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.

#### **11.13 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 the Brand Partner shall be bound by any such modification. The modification will be effective only in the jurisdiction in which it is required.

#### **11.14 Violations**

It is the obligation of every Brand Partner to abide by and maintain the integrity of this Policy Manual. If a 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 phone to Nerium International Support Department at 1300-NERIUM (1300-637-486).

### **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, THE 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 fulfil my leadership responsibilities as a Sponsor, including training and otherwise supporting Brand Partners in my sales organisation.
- 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 organisational 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, license fees, and related personal fees.
- 12.09** I will always honour 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.