



**DISTRIBUTOR
POLICIES AND PROCEDURES**

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New U Life Corporation POLICIES & PROCEDURES

- 1. Policies and Compensation Plan Incorporated into Independent Marketing Consultant's Agreement; Amendments.** These Policies and Procedures, in their present form and as amended at the sole discretion of New U Life Corporation (hereafter "New U Life" or the "Company"), are incorporated into the New U Life Independent Marketing Consultant Agreement. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the New U Life Independent Marketing Consultant Application and Agreement, the Policies and Procedures, the UEarn Compensation Plan, and the New U Life Business Entity Addendum (the Business Entity Addendum is only applicable to Independent Marketing Consultants who enroll as a business entity). The Company reserves the right to amend the Agreement at its discretion. Amendments shall be effective 30 days after notice and publication of the amended provisions in Independent Marketing Consultant's Back-Office and/or Replicated website and posting the Amended Policies on the Company's website, but amended policies shall not apply retroactively to conduct that occurred prior to the effective date of the amendment.
- 2. Policies and Provisions Severable.** If any provision of the Agreement, in its current form or as amended, is held void or unenforceable, only the void or unenforceable portion(s) of the provision shall be severed from the Agreement and the remaining provisions shall remain in effect. The severed provision shall be reformed so that it is in compliance with the law and reflects the purpose of the original provision as closely as possible.
- 3. Right of Publicity Waiver.** Independent Marketing Consultants (hereinafter "IMCs" or "IMC") authorize New U Life to use their name, photograph, personal story, testimonial, likeness, and/or any material the IMC submits to the Company in advertising or promotional materials and waive all claims for remuneration for such use.
- 4. Term and Renewal of Your New U Life Business.** The term of the Independent Marketing Consultant Agreement is one year from the date of enrollment. IMCs must renew their Independent Marketing Consultant Agreement each year and pay the annual renewal fee. The annual renewal notice will be posted in IMCs' Back-Office.
- 5. Compliance With the Law.** IMCs must not engage in any act or omission that constitutes a violation of the law. All IMCs are responsible to act with good faith and fair dealing when transacting business.
- 6. Independent Contractor Relationship. IMCs are independent contractors, and shall not be treated as employees of New U Life for federal or state tax purposes, employment security, worker's compensation, FICA, or for any other reason.** IMCs are solely responsible for paying their own business expenses and taxes. Following the close of each year, New U Life Corporation will provide IMCs who earn over \$600 or purchase merchandise totaling \$5,000 or more with an IRS Form 1099 for tax reporting.

In all written material, advertising, publications, websites, blogs, social media, and any other forum in which an IMC promotes his/her New U Life business or New U Life products, the IMC must represent him/herself in the following manner:

Name
Independent Marketing Consultant
New U Life Corporation

- 7. General Conduct.** IMCs shall safeguard and promote the good reputation of New U Life and its products, and must avoid all deceptive, misleading, unethical or immoral conduct or practices, and must exhibit high moral character in their personal and professional conduct. IMCs shall not engage in any conduct that may damage the Company's goodwill or reputation. While it is impossible to specify all misconduct that would be contrary to this policy, and the following list is not a limitation on the standards of conduct to which IMCs must adhere pursuant to this policy, the following standards specifically apply to IMCs' activities:
 - IMCs must conspicuously identify themselves as an independent New U Life IMC in all advertising, telephone directory listings, promotional material, social media postings, websites, and other forums in which they promote New U Life's products, and services and the New U Life business. IMCs are responsible for the content of all material that they produce and all of their postings on any social media site, as well as **all** posting on any social media site that they own, operate, own or control.

- Deceptive conduct is always prohibited. IMCs must ensure that their statements are truthful, fair, accurate, and are not misleading in any fashion.
- IMCs may not make any social media postings, or link to or from any postings or other material that is sexually explicit, obscene, pornographic, offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise), is graphically violent, is solicitous of any unlawful behavior, that engages in personal attacks on any individual, group, or entity, or is in violation of any intellectual property rights of the Company or any third party.
- If an IMC's New U Life business is cancelled for any reason, the IMC must discontinue using the New U Life intellectual property, including but not limited to the name "New U Life," and all derivatives of the Company's intellectual property, in postings on all Social Media, websites, or other promotional material.
- IMCs may not represent or imply that any state or federal government official, agency, or body has approved or endorsed New U Life, its program, or products.
- IMCs may not use any of New U Life's trade names, trademarks, service marks, or other intellectual property in non-internet marketing, advertising, or promotional material without the Company's express prior written approval.

8. IMC Created Marketing Methods, Advertising, and Promotional Material (Sales Tools).

Subject to the requirements set forth in these Policies, IMCs may create their own sales aids, presentations, advertising and promotional materials, and marketing methods (collectively "Sales Tools"). To ensure that the Sales Tools are of professional quality, are not deceptive and contain only substantiated claims, all IMC created Sales Tools must be submitted to the Company and receive written approval before they can be used or made public. IMCs who receive written authorization from New U Life to produce and publish Sales Tools may make approved Sales Tools available to other IMCs free of charge if they wish, but may not sell the Sales Tools to other New U Life IMCs. New U Life reserves the right to rescind approval for any approved Sales Tools, and IMCs waive all claims against New U Life, its officers, directors, owners, employees, and agents for damages, expenses, costs, or remuneration of any other nature arising from or relating to such rescission. Approved Sales Tools may be posted in the Marketing Library Resources section of IMCs' Back-Offices to be available for all IMCs' use. **The IMC(s) who created the Sales Tools grants New U Life and its Independent Marketing Consultants an irrevocable license to use the Sales Tools at their discretion, and waives all copyright claims and/or claims for remuneration against New U Life, its officers, directors, owners, agents, and/or other Independent Marketing Consultants for such posting and/or use of the Sales Tools.**

9. Telemarketing, Spam and Mass Faxes. IMCs may not engage in telemarketing or use any form of auto-dialing equipment or software to promote their New U Life business or New U Life's products.

New U Life does not permit IMCs to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by an IMC that promotes New U Life, the New U Life opportunity, or New U Life's products and services must comply with the following:

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

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

Except as provided in this section, IMCs may not use or transmit unsolicited faxes in connection with their New U Life business. The term "unsolicited faxes" means the

transmission via telephone facsimile or computer of any material or information advertising or promoting New U Life, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the IMC has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two way communication between an IMC and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such IMC; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

10. Trademarks and Copyrights. The name "New U Life" and other names as may be adopted by the Company are proprietary trade names, trademarks and service marks of New U Life Corporation. New U Life will not allow the use of its trade names, trademarks, designs, or symbols, or any derivatives of such marks, by any person, including New U Life IMCs, in any unauthorized manner without its prior written permission. This includes, but is not limited to use in any email address, website domain name, or social media name or address, or unapproved Sales Tools.

11. IMC Web Sites. IMC may create an external website to promote their New U Life business and New U Life products, but such external website must comply with the following:

- External websites may not use any of New U Life's trademarks, trade names, service marks, or other intellectual property. The only exception is that an IMC's external website must bear the official New U Life Independent Marketing Consultant name and logo.
- No New U Life trademark, trade name, service mark may be used in any URL.
- External websites may not take and/or process product or service orders, sales or enrollments. The external site must be directed to the IMC's New U Life replicated website to process sales and/or enrollments.
- All external websites must clearly and conspicuously identify the IMC who is operating the external website, and must clearly and conspicuously disclose that he/she is a New U Life Independent Marketing Consultant, and that the site is not New U Life's corporate website. Websites that do not identify the promoter of the site and/or that he/she is promoting New U Life's products or the New U Life opportunity (so called "blind" websites), are not permitted.
- Upon cancellation of an IMC's New U Life independent Agreement for any reason, the former IMC must immediately remove the external site from the internet.
- The external website must exclusively promote New U Life's products and New U Life's opportunity.
- Prior to going live with an external website, the IMC must submit a beta site to the Company for review and receive the Company's written authorization to use the website. Following approval, any amendments to the Site must also be submitted to the Company and receive written approval before going live. New U Life reserves the right to rescind approval for any approved external web sites, and IMCs waive all claims against New U Life, its officers, directors, owners, employees, and agents for damages, expenses, costs, or remuneration of any other nature arising from or relating to such rescission.

New U Life reserves the right to rescind approval for any approved external web site, and IMCs waive all claims against New U Life, its officers, directors, owners, employees, and agents for damages, expenses, costs, or remuneration of any other nature arising from or relating to such rescission.

12. Online Auctions and Listings. IMCs may not sell New U Life products through online auctions or message boards, including but not limited to eBay® and craigslist®.

13. Retail Outlets and Service Establishments. New U Life strongly encourages the retailing and selling of its products through person-to-person contact. In an effort to reinforce this method of selling and to help provide a standard of fairness for all IMCs, IMCs may not display or sell New U Life products or literature, or in any other way promote the New U Life opportunity or products in any retail, wholesale, warehouse, or discount establishment without prior written approval from New U Life. Notwithstanding the foregoing, IMCs may display and sell New U Life products at professional trade shows.

14. Service Related Establishments. IMCs may promote and sell New U Life products in service-related establishments. A service-related establishment is one whose primary revenue is earned by providing personal service rather than by selling products. Such establishments include offices of doctors, dentists and other health professionals; health clubs or fitness centers; beauty salons; and any other business where customer use of the establishment is controlled by

membership or appointment. New U Life reserves the right to make the final determination as to whether an establishment is service-related or is a proper place for the sale of its products.

15. Change of Sponsor. The only means by which an IMC may legitimately change his/her sponsor is by voluntarily canceling his/her New U Life business in writing and remaining inactive for three (3) full calendar months. Following the three calendar month period of inactivity, the former IMC may reapply under a new sponsor. The IMC will lose all rights to his/her former downline organization upon his/her cancellation.

16. Binary Placement

When a sponsor enrolls a new IMC, it is the sponsor's responsibility to determine the best placement position for the new IMC in New U Life's binary compensation structure. No changes to an IMC's binary position will be allowed other than an initial placement error caused by a system malfunction. All errors must be reported to the Company within two business days of the error.

IMCs may place a new sponsored IMC in a "holding tank" for up to two (2) full days. After the end of the second full day at 12:01 a.m. EST, the new IMC will be placed in the first available position in the binary unless the sponsor has directed that the new IMC be placed in a specific position in the binary.

17. Waiver of Claims. In cases wherein an IMC improperly changes his/her sponsor, New U Life reserves the sole and exclusive right to determine the final disposition of the downline organization that was developed by the IMC in his/her second line of sponsorship. IMCs WAIVE ANY AND ALL CLAIMS AGAINST NEW U LIFE, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM NEW U LIFE'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN IMC WHO HAS IMPROPERLY CHANGED HIS/HER SPONSOR.

18. Income Claims. When presenting or discussing the New U Life opportunity or Compensation Plan to a prospective IMC, IMCs may not make income projections, income claims, income testimonials, or disclose their New U Life income (including, but not limited to, the showing of checks, and copies of checks), or the income of any other New U Life IMC. Nor may IMCs make "lifestyle" income claims. A "lifestyle" income claim is a statement or depiction that infers or states that the IMC is able to enjoy a luxurious or successful lifestyle due to the income they earn from their New U Life business. Examples of prohibited lifestyle claims include, but are not limited to, representations (either through audio or visual medium) that an IMC was able to quit his/her job, acquire expensive or luxury material possessions, or travel to exotic or expensive destinations.

19. Product Claims and Testimonials. IMCs may not make any express or implied claim, representation, or testimonial that New U Life's products may be used to prevent, cure, treat, mitigate, or diagnose any disease, illness, allergy, or injury.

20. Specific Product Testimonials. If an IMC makes a any personal testimonial in connection with New U Life's products, the IMC must adhere to each of the following:

- The IMC making the testimonial must clearly and conspicuously disclose that he/she is a **New U Life Independent Marketing Consultant**;
- The testimonial must be true and accurate, and must disclose all additional material information that impacted his/her positive results (e.g., changes in lifestyle or exercise habits, use of diet pills, etc.);
- No testimonial may be made relating to use of the Company's products and their impact on the weight illness suffered by the individual making the testimonial, including but not limited to diabetes claims and cholesterol reduction claims.

21. Media Inquiries. IMCs must not interact with the media regarding the New U Life business or products. All inquiries from the media, including radio, television, print, online, or any other medium, shall be directed to New U Life's marketing department.

22. Participation in, and Recruiting for, Other Network Marketing Programs. New U Life IMCs are free to participate in other network marketing programs. However, during the term of this Agreement, with the exception of an IMC's personally sponsored downline IMCs, an IMC may not directly or indirectly Recruit other New U Life IMCs for any other network marketing business. The term "Recruit" means the direct or indirect, actual or attempted, sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, another New U Life IMC to

enroll or participate in another network marketing opportunity.

23. Indemnification. IMCs are responsible for all verbal and/or written statements regarding the Company's products, services and compensation plan which are not exact quotes from the Company's materials. IMC agrees to indemnify and hold harmless the Company, its directors, officers and employees from any and all liability arising from or relating to their statements, actions, and/or conduct relating to the operation of their business that is not specifically authorized by the Company. New U Life shall indemnify IMCs for all claims against IMCs that relate to actions that arise from claims that are specifically authorized by the Company. New U Life further agrees to indemnify IMCs from any product liability actions so long as the IMC adhered strictly to claims that are authorized by the Company.

24. Confidential Information. "Confidential Information" includes, but is not limited to, IMC lists and all other documents or materials that disclose the identities, contact information, and/or sales information relating to New U Life's IMCs and/or Customers: (a) that is contained in or derived from any IMCs' respective Back-Office; (b) that is derived from any reports issued by New U Life to IMCs to assist them in operating and managing their New U Life business; (c) personal contacts made at New U Life meetings or event; and/or (d) to which an IMC would not have access or would not have acquired but for his/her affiliation with New U Life. Confidential Information constitutes proprietary business trade secrets belonging exclusively to New U Life and is provided to IMCs in strict confidence. Confidential Information shall not be directly or indirectly disclosed to any third party nor used for any purpose other than IMC's use in building and managing his/her Independent New U Life business.

If a New U Life IMC or former IMC Recruits any New U Life IMC, other than his or her personally sponsored downline IMC, for another network marketing business, there shall be a presumption that the IMC who engaged in the Recruiting activity utilized New U Life's Confidential Information.

25. Product Inventory & Bonus Buying. IMCs may, but are not required, to carry an inventory of New U Life products for resale. All products can be direct shipped from the Company to the customer.

Bonus buying is strictly prohibited. Bonus buying includes the purchase of merchandise for any reason other than bona fide resale or use, or any mechanism or artifice to qualify for rank advancement or maintenance, incentives, prizes, commissions or bonuses that are not driven by bona fide product purchases by end user consumers for actual use.

26. Limitations on IMC and Household Businesses. IMCs may own, operate, control, or have an interest in, only one New U Life business. There may be no more than two New U Life businesses per household. A "household" includes spouses and dependent family members residing in the same home as well as dependent student family members living away from the home while in school. If there are two New U Life businesses in the household, one of the following sponsorship procedures must be followed:

(a) The two businesses must be personally sponsored by the same Sponsor; or

(b) The first business to enroll is designated the "Senior Business," and the second business to enroll is designated the "Junior Business," and the following rules apply:

- The Junior Business must be sponsored by the Senior Business and must be on the first downline level (the front line) of the Senior Business; or the Junior and Senior businesses must have the same front-line sponsor;
- The owners of the Senior and Junior Businesses must each be at least 18 years of age; and
- The senior and Junior Businesses must be operated independently of one another and the owner of one business must not be the person operating both businesses.

27. Actions of Affiliated Parties. The term "Business Entity" shall mean any corporation, partnership, Limited Liability Company, trust or other entity that owns or operates a New U Life independent business. The term "Affiliated Party" shall mean any individual, partnership, trust, limited liability Company, or other entity that has an ownership interest in, or management responsibility for, a Business Entity.

A Business Entity and each Affiliated Party must comply with the Agreement. If a Business Entity and/or any Affiliated Party violates the Agreement, New U Life may take disciplinary action against the Business Entity and/or jointly and severally against any or all of the Affiliated Parties.

In addition, if a household family member of an IMC engages in conduct that would be a violation of the Agreement, the conduct of the household family member shall be imputed to the IMC.

28. **Tampering With Product Packaging.** New U Life products must be sold in their original packaging; IMCs shall not alter the original packaging or labeling.
29. **Negative Comments.** Complaints and concerns about New U Life and/or its products should be directed to the Customer Service Department. IMCs must not disparage, demean, or make negative remarks to third parties or other IMCs about New U Life, its owners, officers, directors, management, other New U Life IMCs, New U Life's products, the Marketing and Compensation plan, or New U Life's directors, officers, or employees. Disputes or disagreements between any IMC and New U Life shall be resolved through the dispute resolution process, and the Company and IMCs agree specifically not to demean, discredit, or criticize one another on the Internet or any other public forum.
30. **Sales Receipts.** IMCs must provide their retail customers that purchase merchandise directly from the IMC with **two copies** of an official New U Life sales receipt at the time of the sale and advise them of the three day right to rescind the transaction, which is set forth on the receipt. IMCs must maintain all retail sales receipts for a period of two years and furnish them to New U Life at the Company's request. Sales receipts can be downloaded in PDF format from the IMC's Back-Office. Retail customers who purchase from an IMC's Back-Office need not be provided with a sales receipt as the receipt will automatically be sent by the Company at the time the order is placed.
31. **Adjustment to Bonuses and Commissions.** When a product is returned to New U Life for a refund or is repurchased by the Company, the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the upline IMCs who received bonuses and commissions on the sales of the refunded products.
32. **Return of Inventory and Sales Aids by IMCs Upon Cancellation.** Upon cancellation of an IMC's Agreement, the IMC may return products and Sales Tools that he or she personally purchased from New U Life within 30 days prior to the date of cancellation (longer if required by state law) so long as the goods are in Resalable condition. Upon the Company's receipt of returned goods and confirmation that they are in Resalable condition, the IMC will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. Goods are "Resalable" if they are unopened and unused and the packaging and labeling has not been altered or damaged. Any merchandise that is clearly identified at the time of sale as nonreturnable, closeout, discontinued, or as a seasonal item, is not Resalable. Replicated website fees are not refundable except as may be required under applicable state law.
33. **Order Cancellation and Satisfaction Guarantee.** Federal and state law requires that IMCs notify their retail customers that they have three business days (5 business days for Alaska residents. Saturday is a business day, Sundays and legal holidays are not business days) within which to cancel their purchase and receive a full refund upon return of the products in substantially as good condition as when they were delivered. IMCs shall verbally inform their customers of this right, shall provide them with TWO copies of a retail receipt at the time of the sale, and shall point out this cancellation right stated on the receipt.

In addition, New U Life offers a money back guarantee on products returned within 30 days from the date of sale, less a 10% restocking fee. Products shipped directly to the customer by the Company must be returned to the Company and a refund will be issued to the customer by the Company. Products delivered to the customer by an IMC must be returned to the selling IMC, and it shall be the responsibility of the IMC to issue the refund to his/her customer. This product satisfaction guarantee does not apply to products damaged by abuse or misuse, and shipping costs are not refundable. IMCs shall disclose the terms of the warranty to his/her customers at the time of sale and shall also point out this warranty information on the sales receipt and product literature.

If an IMC returns more than \$350.00 worth of personally purchased products for a refund in any 12 consecutive month period, the request will constitute the IMC's voluntary cancellation of his/her IMC Agreement, and the refund will be processed as an inventory repurchase and the IMC's New U Life business will be cancelled.

34. **Montana Residents.** A Montana resident may cancel his or her IMC Agreement within 15 days

from the date of enrollment, and may return his/her IMC Kit for a full refund within such time period.

- 35. Disciplinary Sanctions.** Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an IMC that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the IMC's New U Life business), may result, at New U Life's discretion, in one or more of the following corrective measures:
- Issuance of a written warning or admonition;
 - Requiring the IMC to take immediate corrective measures;
 - New U Life may withhold from an IMC all or part of the IMC's bonuses and commissions during the period that New U Life is investigating any conduct allegedly in violation of the Agreement. If an IMC's business is canceled for disciplinary reasons, the IMC will not be entitled to recover any commissions withheld during the investigation period;
 - Suspension of the individual's IMC Agreement and independent business for one or more pay periods without pay;
 - Involuntary termination of the offender's IMC Agreement;
 - Suspension and/or termination of the offending IMC's New U Life website or website access;
 - Any other measure expressly allowed within any provision of the Agreement or which New U Life deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the IMC's policy violation or contractual breach; and/or
 - In situations deemed appropriate by New U Life, the Company may institute legal proceedings for monetary and/or equitable relief.
- 36. Effect of Cancellation.** An IMC whose business is cancelled for any reason will lose all IMC rights, benefits and privileges. This includes the right to hold oneself out as a New U Life IMC, to sell New U Life products and services and the right to receive commissions, bonuses, or other income resulting from the sales and other activities of the IMC's former downline sales organization. There is no whole or partial refund for IMC Kit fees or renewal fees if an IMC's business is cancelled.
- 37. Voluntary Cancellation.** A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address or by cancelling his/her business through the Back-Office. The written notice must include the IMC's signature, printed name, address, and IMC I.D. Number. If an IMC is also on the Autoship program, the IMC's Autoship order shall continue unless the IMC also specifically requests that his or her Autoship Agreement also be canceled. An IMC may also voluntarily cancel his/her New U Life business by failing to renew the Agreement on its anniversary date.
- 38. Cancellation for Inactivity.** If an IMC has not produced any Personal Group Volume for any twelve consecutive month periods, his or her IMC Agreement and business will be cancelled for inactivity.
- 39. Business Transfers.** IMCs in good standing who wish to sell or transfer their business must receive New U Life's prior written approval before the business may be transferred. Requests to transfer a business must be submitted in writing to the Compliance Department. It is within New U Life's discretion whether to allow a business sale or transfer, but such authorization shall not be unreasonably withheld. However, no business that is on disciplinary probation, suspension, or under disciplinary investigation may be transferred unless and until the disciplinary matter is resolved. Prior to transferring a business to a third party, the distributor must offer New U Life Corporation the right of first refusal to purchase the business on the same terms as negotiated with a third party. The Company shall have ten days to exercise its right of first refusal.
- 40. Transfer Upon an IMC's Death.** An IMC may devise his/her business to his/her heirs. Because New U Life cannot divide commissions among multiple beneficiaries or transferees, the beneficiaries or transferees must form a business entity (corporation, LLC, partnership, etc.), and New U Life will transfer the business and issue commissions to the business entity. In the case of a business transfer via testamentary instrument, the beneficiary of the business must provide New U Life with certified letters testamentary and written instructions of the trustee of the estate, or an order of the court, that provides direction on the proper disposition of the business. The beneficiary must also execute and submit to the Company a New U Life IMC Application and Agreement within 30 days from the date on which the business is transferred by the estate to the

beneficiary or the business will be cancelled.

- 41. Business Distribution Upon Divorce.** New U Life is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, in divorce cases, any settlement or divorce decree must award the business in its entirety to one party. New U Life will recognize as the owner of the business the former spouse who is awarded the business pursuant to a legally binding settlement agreement or decree of the court. The former spouse who receives the New U Life business must also execute and submit a New U Life IMC Application and Agreement within 30 days from the date on which the divorce becomes final or the business will be cancelled. The divorced IMC who did not receive the New U Life business will be permitted to immediately apply for a new New U Life business.
- 42. Dissolution of a Business Entity.** New U Life is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, in the event that a business entity that operates a New U Life business dissolves, the owners of the business entity must instruct the Company on the identity of the proper party who is to receive the business. The New U Life business must be awarded to a single individual or entity that was previously recognized by the Company as an owner of the business entity, as the Company cannot divide the business among multiple parties or issue separate commission payments. If the business entity wishes to sell or transfer its New U Life business, it must do so pursuant to Policy 39. In addition, the recipient of the New U Life business must also execute and submit a New U Life IMC Application and Agreement to the Company within 30 days from the date of the dissolution of the business entity or the New U Life business will be cancelled. Any individual who did not receive the New U Life business will be permitted to immediately apply for a new New U Life business subject to New U Life's approval.
- 43. International Activities.** IMCs may not sell New U Life products in any international market, or conduct business activities of any nature, in any foreign country that the Company has not announced is officially open for business.
- 44. Dispute Resolution.** For claims seeking \$10,000.00 or more that arise from or relate to the Agreement, prior to filing arbitration as set forth below, the parties shall meet in good faith and attempt to resolve such dispute through confidential non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. If the Parties cannot agree on a mediator, the complaining party shall request a mediator be appointed by the American Arbitration Association ("AAA"). The mediation shall occur within 60 days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Pleasant Hill, California, and shall last no more than two business days.

Except as otherwise provided in the Agreement, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled through confidential arbitration. The Parties waive rights to trial by jury or to any court. This arbitration provision applies to claims that were not successfully resolved through the foregoing mediation process as well as claims for less than \$10,000.00 not subject to the mediation requirement. The arbitration shall be filed with, and be administered by, the American Arbitration Association in accordance with the AAA's Commercial Arbitration Rules and Mediation Procedures, which are available on the AAA's website at www.adr.org. Copies of the AAA's Commercial Arbitration Rules and Mediation Procedures will also be emailed to IMCs upon request to New U Life's Customer Service Department. Notwithstanding the rules of the AAA, unless otherwise stipulated by the Parties, the following shall apply to all Arbitration actions:

- **The Federal Rules of Evidence shall apply in all cases;**
- **The Parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;**
- **The Parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;**
- **The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of California shall govern all other matters relating to or arising from the Agreement, without regard to principles of conflicts of laws.**
- **The arbitration hearing shall commence no later than 365 days from the date on which the arbitrator is appointed, and shall last no more than five business days;**
- **The Parties shall be allotted equal time to present their respective cases;**

- **The arbitration shall be brought on an individual basis and not as part of a class or consolidated action.**

All arbitration proceedings shall be held in Pleasant Hill, California. There shall be one arbitrator selected from the panel that the AAA provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court to which the Parties have consented to jurisdiction as set forth in the Agreement. This agreement to arbitrate shall survive the cancellation or termination of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the arbitration proceedings and shall not disclose to third parties:

- **The substance of, or basis for, the controversy, dispute, or claim;**
- **The substance or content of any settlement offer or settlement discussions or offers associated with the dispute;**
- **The pleadings, or the content of any pleadings, or exhibits thereto, filed in any arbitration proceeding;**
- **The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;**
- **The terms or amount of any arbitration award;**
- **The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.**

Notwithstanding the foregoing, nothing in the Agreement shall prevent either party from applying to and obtaining from any court to which the Parties have consented to jurisdiction as set forth in the Agreement a temporary restraining order, preliminary or permanent injunction, or other equitable relief to safeguard and protect its trade secrets and intellectual property rights, trade secrets, and/or confidential information including but not limited to enforcement of its rights under the non-solicitation provision of the Agreement.

45. Governing Law, Jurisdiction and Venue. Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Contra Costa County or the United States District Court for the Northern District of California. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of California shall govern all other matters relating to or arising from the Agreement.

46. Louisiana Residents. Notwithstanding the foregoing, and the arbitration provision set forth above, residents of the State of Louisiana shall be entitled to bring an action against New U Life in their home forum and pursuant to Louisiana law.



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