



## **Policies & Procedures**

**Effective January 1<sup>st</sup>, 2023**

# Table of Contents

|  |    |
|--|----|
| Section 1: Code of Ethics.....   | 3  |
| Section 2: Definitions.....  | 4  |
| Section 3: The Member/Affiliate Application Process.....   | 6  |
| Section 4: Member/Affiliate Responsibilities.....  | 10 |
| Section 5: Sponsoring.....   | 14 |
| Section 6: Purchasing HealthyHome Product.....   | 16 |
| Section 7: Member/Affiliate Marketing and Promotion of HealthyHome Products and Opportunity..... | 19 |
| Section 8: Product Guarantee, Returns and Inventory Repurchase.....                              | 24 |
| Section 9: Member/Affiliate Compensation.....  | 26 |
| Section 10: Member/Affiliate Resignation and Termination.....                                    | 28 |

Effective Date: January 1<sup>st</sup>, 2023

These HealthyHome Policies and Procedures (these “Policies & Procedures”) are effective and binding upon Independent Distributors (each a “Member” or collectively, “Members”) and Affiliates (each an “Affiliate” or collectively, “Affiliates”) of HealthyHome, LLC, a Utah limited liability company (“HealthyHome” or the “Company”). A Member/Affiliate’s activities on and after the effective date hereof must be in accord with these Policies & Procedures. The HealthyHome Member/Affiliate Application, including its Terms and Conditions, the HealthyHome Compensation Plan, and these Policies and Procedures combine to form a contract (collectively, the “Contract”), which is legally binding upon each Member/Affiliate and HealthyHome. By submitting a HealthyHome Member/Affiliate Application, each Member/Affiliate represents and warrants that it (i) has read, understood and agrees to be bound by the terms and conditions of each portion of the Contract (including the following paragraph concerning amendments to the Contract), and (ii) will cause its officers, board of directors, managers, employees, and similar representatives to abide by the Contract.

The Contract, among other things, governs the way a Member/Affiliate conducts business with HealthyHome, other Member/Affiliates and customers. A Member/Affiliate agrees to abide by the Contract, as currently published and as may be amended by HealthyHome in its sole discretion from time to time, by publishing such on HealthyHome’s website or otherwise. A Member/Affiliate may cancel its Contract within 30 days of the publication of any new HealthyHome policy or amendment to the Contract. A Member/Affiliate that either (i) orders HealthyHome products subsequent to publication of any new HealthyHome policy or amendment or (ii) does not cancel its Contract within 30 days of the publication of any new HealthyHome policy or amendment to the Contract, will be deemed to have accepted such new policy or amendment and will be bound thereby from that date.

Where the text of the Contract permits, the singular use of a word includes the plural and vice versa. In addition, one gender includes any other gender. All dollar or monetary amounts are United States Dollars unless specifically indicated otherwise. In the event of conflict between the United States English language version of the Contract and any translated or foreign language version of the Contract, then the United States English version shall control.

# Section 1: Code of Ethics

As a HealthyHome Member/Affiliate, I promise and agree that:

- I will be courteous, respectful, honest and fair while acting as a Member/Affiliate to enhance my reputation and the positive reputation of HealthyHome and its products.
- At all times I will conduct myself and my business in an ethical, moral, and legal manner, free of false, deceptive or misleading advertising, marketing, pricing, service and/or other practices.
- I will clearly and completely state all terms of sale to my customers. Further, I will provide support and encouragement to my Customers to ensure that their experience with HealthyHome is a successful one.
- I will not engage in activities that may bring disrepute to HealthyHome, any HealthyHome corporate officer or employee, other Member/Affiliates, or me.
- I will not make discouraging or disparaging claims toward other HealthyHome Member/Affiliates. I will ensure that in all HealthyHome business dealings I will refrain from engaging in defamatory statements regarding others, including competitors of HealthyHome.
- I will fulfill my leadership responsibilities as a Sponsor by training, assisting, and supporting the Member/Affiliates in my organization.
- I will respect the Sponsor relationship of every Member/Affiliate within HealthyHome, and I will neither attempt to interfere with or change these relationships, nor make disparaging or untrue claims about any other Member/Affiliate.
- I will make no claim about any HealthyHome product that is not contained in and supported by current and official HealthyHome publications, nor will I misrepresent the income potential of the Compensation Plan.

## Section 2: Definitions

### 2.1 Active or Active Member/Affiliate

A Member/Affiliate that has met the requirements to receive commission or bonus earnings and that has not been terminated or otherwise suspended by HealthyHome.

### 2.2 Commission

Compensation that can be earned by following the Compensation Plan.

### 2.3 Commission Cycle

The period of time during which a Member/Affiliate's CV, Rank, Organizational Volume and any Commissions are calculated under the Compensation Plan.

### 2.4 Commissionable Volume or CV

A Member/Affiliate's personal product purchases that reflects commissionable volume. The Member/Affiliate price and the commissionable volume may not always be the same.

### 2.5 Compensation Plan

The HealthyHome Compensation Plan referenced literature and any change or amendment thereto, pursuant to which Member/Affiliates can generate Commissions.

### 2.6 Contract

The legal binding written contract by and between HealthyHome and a Member/Affiliate consisting of the HealthyHome Member/Affiliate Application, the HealthyHome Terms and Conditions, the Compensation Plan, and these Policies & Procedures.

### 2.7 Customer

An end consumer that purchases HealthyHome products without any further obligations or benefits, other than the HealthyHome product it purchases. A Customer may not Sponsor other Customers or Member/Affiliates and does not participate in the Compensation Plan.

### 2.8 Downline Organization, Downline or Organization

A "Downline Organization," "Downline" or "Organization" consists of all Member/Affiliates and their Customers that are directly or indirectly placed under a Member/Affiliate, based on placement (not on recruiting or enrollment).

### 2.9 Member or Affiliate

An individual or entity that has been accepted for membership by the Company in the Company's sole discretion, and that does participate in the Compensation Plan. A Member/Affiliate may also be referred to as a Customer depending upon its commission Qualification.

### 2.10 Member/Affiliate Application

The legally binding document that forms a part of and is incorporated into the Contract established between a Member/Affiliate and HealthyHome. The Member/Affiliate Application is subject to acceptance or rejection by HealthyHome in its sole discretion.

### 2.11 Member/Affiliate Business

The limited and revocable license granted to a Member/Affiliate to purchase, sell, distribute, and promote the HealthyHome products and opportunity under the terms and conditions of the Contract.

### 2.11 Qualifying Volume or QV

The measurement of how much each product or package counts towards the compensation plan requirements.

### 2.13 Placement

When a Member/Affiliate places a new Member/Affiliate into his or her Organization this "placement" is accomplished by completing the sponsor and placement information on the Member/Affiliate Application. A new Member/Affiliate cannot be accepted into the Company without this information.

## **2.14 Qualify or Qualified**

A Member/Affiliate in good standing may qualify for commissions in a Commission Cycle by meeting all the necessary Compensation Plan qualifications.

## **2.15 Rank**

HealthyHome recognizes achievement of its Member/Affiliates with rank and recognition. Upon achieving a Rank, the Member/Affiliate always keeps the title. However, to continue to be paid at the Rank, the Member/Affiliate must Qualify for that Rank during each applicable Commission Cycle.

## **2.16 Sponsor**

A Sponsor is an Active Member/Affiliate with HealthyHome that (i) finds and helps entities or individuals become familiar with the HealthyHome products and opportunity, (ii) ultimately signs up such entities or individuals as Member/Affiliates and (iii) is listed as the Sponsor on the Member/Affiliate Application. A prospective Member/Affiliate is entitled to choose its Sponsor.

## **2.17 Subscription**

An optional standing product order automatically shipped approximately every month.

## **2.18 Upline**

All Member/Affiliates above a Member/Affiliate's Organization.

# Section 3: The Member/Affiliate Application Process

## 3.1 Member/Affiliate Application and Completion Process

A person may become a Member/Affiliate after reading the Contract, by paying the activation fee and (i) delivering to HealthyHome a completed, original Member/Affiliate Application; (ii) emailing a completed Member/Affiliate Application to HealthyHome; (iii) signing up with HealthyHome over the telephone, followed by the submission of a completed and signed Member/Affiliate Application to HealthyHome; or (iv) completing, digitally signing and submitting through HealthyHome's website an online Member/Affiliate Application. No product purchases are required to become a Member/Affiliate. HealthyHome reserves the right, in its sole discretion, to accept or reject any Member/Affiliate Application, and to terminate any Member/Affiliate in HealthyHome's sole discretion. Incomplete, inaccurate, or unlawful Member/Affiliate Applications are voidable by HealthyHome. A Member/Affiliate is responsible for promptly informing HealthyHome of any changes affecting the accuracy of the Member/Affiliate Application. Upon acceptance of the Member/Affiliate Application, HealthyHome will send a welcome email directly to the new Member/Affiliate. If the application is rejected, the applicant will be notified, and its money shall be returned.

## 3.2 Member/Affiliate ID Number

A unique code ("ID Number") will be assigned to each Member/Affiliate. All individuals or entities must provide HealthyHome with a valid taxpayer code ("TIN"), such as a Social Security Number ("SSN"), Federal Tax Identification Number ("FTIN") or other country specific Tax Identification Number for the individual or entity. Any Customer may also be assigned an ID Number.

## 3.3 Beneficial Interests

While entities may become Member/Affiliates, an individual may not have a legal beneficial interest or be listed as an owner, partner, shareholder, member or participant in more than one

Member/Affiliate Business without the written consent of HealthyHome. A beneficial interest includes, but is not limited to, any ownership interest, equitable interest, any rights to present or future benefits, financial or otherwise. In addition, each Member/Affiliate agrees as follows:

- a. The creation of "straw" or "phantom" (Ineligible or false) position in a Member/Affiliate's Downline is prohibited.
- b. If a Member/Affiliate's household engages in any act or activity that would violate the Contract if such act were performed by the Member/Affiliate, such act or activities will be imputed to the Member/Affiliate.
- c. If a spouse or co-habitant of an existing Member/Affiliate wishes to become a Member/Affiliate, then he or she must be added to the Member/Affiliate Business that is currently being operated by the spouse or co-habitant.

## 3.4 Corporations, Partnerships, Trusts and Other Entities

A corporation, limited liability company, partnership, trust or other business entity (each, an "entity" or "Entity") may apply to be a HealthyHome Member/Affiliate by submitting a properly completed Member/Affiliate Application together with a HealthyHome Business Entity Form. Applications submitted by an Entity must be signed by a duly authorized officer, manager, trustee or owner as the case may be and contain the name and Tax Identification Number of the Entity. Accordingly, applications must also include the names of the executive officers, directors, managers, partners, members, and shareholders, beneficiaries of the trust and the trustees, as the case may be. HealthyHome may require a copy of the organizational documents of each Entity, together with a certificate of good standing or such other information about the Entity as requested by HealthyHome. Each member, shareholder, partner, or other owner of an Entity is jointly and severally liable for any indebtedness or other obligation of such Entity to HealthyHome. In order

for a Member/Affiliate to be eligible to change its status from an individual to an Entity, or from one type of entity to another, then such Member/Affiliate must submit a properly completed Member/Affiliate Application and HealthyHome Business Entity Form. Any transfer of any shares, membership interests, partnership interests or other ownership interest in the Entity is subject to the transfer rules set forth in Section 3.8 hereof.

### **3.5 Member/Affiliate Marriage**

If two existing Member/Affiliates (which are individuals) marry, then such Member/Affiliates may maintain their respective, independent Member/Affiliate Businesses. After marriage, the rights of married Member/Affiliates to make account or Sponsor changes may be limited in HealthyHome's sole discretion.

### **3.6 Member/Affiliate Divorce or Partnership Dissolution**

In the event that married Member/Affiliates or partners, members, shareholders or other owners that share in a certain Member/Affiliate Business separate or obtain a divorce, then HealthyHome will continue to pay commission in the same manner as prior to such separation or divorce until such time as HealthyHome is served with a legally binding certified copy of a divorce decree or other court order that provides direction on payment and/or disposition of the rights under the Contract. The written notice must be signed by all parties and notarized. In no event will the Member/Affiliate Business be partitioned.

### **3.7 Account Changes to the Member/Affiliate Business**

Account changes or corrections such as address changes to the Member/Affiliate Application may be accomplished by submitting a new Member/Affiliate Application with the word "Amendment" written at the top or submitting a written email to the HealthyHome Member/Affiliate Support Department, depending on the type of change. All amended application forms must be completed in their entirety and signed by all parties in the Member/Affiliate Business. Name changes require appropriate legal proof of the change.

### **3.8 Member/Affiliate Transfers**

To convey, sell, assign or otherwise transfer (each, a "Transfer") a Member/Affiliate Business or any direct or indirect ownership interest therein, a Member/Affiliate must, prior to such sale, assignment or transfer, contact the HealthyHome Compliance Department by delivering a signed writing to HealthyHome of such Member/Affiliate's intention to do so, and then comply with the terms and conditions of this Section 3.8, together with any and all other internal or other policies of HealthyHome, as amended from time to time:

- a. You may not encourage, entice, or otherwise assist another Member/Affiliate to transfer to a different Sponsor. To do so constitutes an unwarranted and unreasonable interference with the contractual relationship between the Company and its Members/Affiliates. This prohibition includes, but is not limited to, offering financial or other tangible incentives for another Member/Affiliate to terminate an existing Member/Affiliate Business and then re-sign under a different Sponsor. You agree that a violation of this rule inflicts irreparable harm on the Company and agree that injunctive relief is an appropriate remedy to prevent that harm. The Company may also impose penalties on any Member/Affiliate Business that solicits or entices an existing Member/Affiliate to change lines of sponsorship.
- b. No Member/Affiliate shall sell or assign an Member/Affiliate Business in order to circumvent the Contract, including but not limited to, circumvention of the cross-sponsoring rules or the possession or interest in more than one Member/Affiliate Business.
- b. Notwithstanding anything to the contrary contained herein, elsewhere in the Contract, or otherwise, all Transfers are subject to the prior written approval of HealthyHome, which HealthyHome may withhold in its sole and absolute discretion for any or no reason.
- c. All Transfers are subject to a right

- of first refusal in favor of HealthyHome (the “Right of First Refusal” or “ROFR”). Specifically, a Member/Affiliate that receives an offer from a prospective purchaser to receive a Transfer of such Member/Affiliate Business shall first offer to sell such Member/Affiliate Business to HealthyHome on the same terms and conditions contained in such offer from such prospective purchaser. The transferring Member/Affiliate shall deliver written notice to HealthyHome, together with a copy of such offer, and HealthyHome shall have thirty (30) calendar days (the “ROFR 30-Day Period”), to purchase such Member/Affiliate Business from such Member/Affiliate on the same terms and conditions set forth in such written notice and offer. If HealthyHome fails to exercise its Right of First Refusal within such ROFR 30-Day Period, then the transferring Member/Affiliate may Transfer the Member/Affiliate Business to the prospective purchaser within twenty (20) calendar days following the expiration of the ROFR 30-Day Period pursuant to the same terms and conditions contained in the written notice and offer. If such Transfer does not occur within such twenty (20) day period, then the Right of First Refusal will apply to each new offer received by the transferring Member/Affiliate.
- d. In addition, all Transfers are subject to a right of first offer in favor of HealthyHome (the “Right of First Offer” or “ROFO”). Specifically, a Member/Affiliate that desires to Transfer its Member/Affiliate Business to a prospective purchaser shall first offer to sell such Member/Affiliate Business to HealthyHome on the same terms and conditions contained in such offer from such Member/Affiliate to such prospective purchaser. The transferring Member/Affiliate shall deliver written notice to HealthyHome, together with a copy of such offer, and HealthyHome shall have thirty (30) calendar days (the “ROFO 30-Day Period”) to purchase such Member/Affiliate Business from such Member/Affiliate on the same terms and conditions set forth in such written notice and offer. If HealthyHome fails to exercise its Right of First Offer within such ROFO 30-Day Period, then the transferring Member/Affiliate may Transfer the Member/Affiliate Business to the prospective purchaser within twenty (20) calendar days following the expiration of the ROFO 30-Day Period pursuant to the same terms and conditions contained in the written notice and offer. If such Transfer does not occur within such twenty (20) day period, then the Right of First Offer will apply to each new prospective purchaser to whom the transferring Member/Affiliate desires to Transfer its Member/Affiliate Business.
- e. The Right of First Offer procedures set forth in this Section do not apply to the Transfer of a Member/Affiliate Business by reason of a valid will or intestate succession or to status changes described below:
- i. A Transfer from an individual Member/Affiliate to a legal entity, so long as the Member/Affiliate owns all the interest in the legal entity; and
  - ii. A Member/Affiliate that is a legal entity that wishes to change its status to an individual, so long as the individual Member/Affiliate owns all the interest in the legal entity.
- f. When a Transfer of a Member/Affiliate Business is allowed, HealthyHome may require any or all of the following, together with any other documents or information requested in the sole discretion of HealthyHome:
- i. A newly signed Member/Affiliate Application from the purchaser with payment of the appropriate enrollment fee and a written statement explaining the reason(s) for the Transfer;
  - ii. A copy of the Sales



- Agreement executed by the Transferring Member/Affiliate. The Sales Agreement must include a covenant from the transferring Member/Affiliate promising he or she will not raid, cross-sponsor or recruit any of the Member/Affiliate Businesses' Downline into any other direct-selling, network marketing or multilevel-marketing organization;
  - iii. A termination notice from the transferring Member/Affiliate; and
  - iv. A processing fee of \$100.00.
- g. Any Member/Affiliate desiring to acquire an interest in another Member/Affiliate's Business must first terminate its Member/Affiliate Business and wait at least four (4) months before becoming eligible to purchase another Member/Affiliate Business.

### **3.9 Legal Age**

Member/Affiliate applicants must be at least 18 years of age and legally able to enter into a legal contract in the jurisdiction where they reside.

### **3.10 Permitted Territories**

Acceptance by HealthyHome of the Member/Affiliate Application authorizes the Member/Affiliate to conduct the Member/Affiliate's Business only in territories and countries designated by HealthyHome as such may be updated from time to time. Member/Affiliates, consumers or any Customers residing in unopened countries or territories may be allowed to purchase HealthyHome product directly from HealthyHome in US dollars and strictly on a Not-For-Resale or similar basis so long as such purchasers comply with applicable legal requirements in such unopened countries or territories.

## Section 4: Member/Affiliate Responsibilities

### 4.1 Compliance with Law and Business Ethics

Member/Affiliates agree to comply with applicable federal, state, and local laws and regulations (collectively, “Laws”). Any breach or violation of the Contract or of any Laws may be grounds for disciplinary action, including termination of the applicable Member/Affiliates. In addition, HealthyHome requires that Member/Affiliates abstain from unethical conduct. Examples of unethical conduct may include, but are not limited to, the following:

- a. Cross-sponsoring;
- b. Raiding;
- c. Unauthorized use of another person’s credit card;
- d. Credit card charge-backs;
- e. Misrepresenting the HealthyHome products or the Compensation Plan;
- f. Engaging in any deceptive or unlawful trade practice or other illegal or unlawful activity;
- g. Creating or publishing advertising material without prior HealthyHome approval;
- h. Any unauthorized use of the HealthyHome names, trade names, domain names, patent information, trademarks, or logos; or
- i. Manipulating the Compensation Plan.

### 4.2 Independent Contractor Status

A Member/Affiliate is an independent contractor and is not an agent, employee, partner, or party in a joint venture with HealthyHome and a Member/Affiliate may not represent that such an arrangement exists. A Member/Affiliate is responsible for the Member/Affiliate’s own business decisions and expenditures and for satisfying all federal, state, and local laws and regulations applicable in the state of or country of residence. Because Member/Affiliates are independent contractors, Member/Affiliates are not eligible to claim unemployment compensation or other benefits as a result of having been a Member/Affiliate.

### 4.3. Non-Solicitation and “Cross-Sponsoring”

Any Active Member/Affiliate or any person or entity that was previously a HealthyHome Member/Affiliate, directly or indirectly, through beneficial ownership or otherwise, may not directly or indirectly enroll, Sponsor or solicit any other Member/Affiliate or Customer into any other direct-selling, network-marketing or multilevel-marketing company. Further, any Active Member/Affiliate or any person or entity that was previously a HealthyHome Member/Affiliate, directly or indirectly, through beneficial ownership or otherwise may not directly, indirectly, openly or privately solicit the participation of any other Member/Affiliate or Customer, to purchase any non-HealthyHome product that is competitive with HealthyHome products or opportunities or to participate in any other direct-selling, network-marketing or multilevel-marketing company or opportunity. These competing products and/or opportunities include, but are not limited to, promoting or distributing of business cards, technology services, business tools, speakers or trainers, social media, email, websites, supporting/encouraging competing products, opportunity meetings and services or anything similar. The foregoing prohibited activities may be grounds for termination or other disciplinary action.

### 4.4 Member/Affiliate Business Renewal

A Member/Affiliate must renew its Contract and its Member/Affiliate Business status annually. Annual renewal includes paying an annual renewal fee and when requested, completing, and submitting an online or paper renewal form. Payment of the renewal fee is due on the anniversary of the day the Member/Affiliate Contract was accepted by HealthyHome. The responsibility to renew rests with each Member/Affiliate. Ordering product, sponsoring other Member/Affiliates, accepting commissions or other verbal or written authorization shall constitute action on the part of a Member/Affiliate that HealthyHome may accept as intent to renew and shall constitute

authorization by the Member/Affiliate to charge the credit card on file or deduct from earned commissions in the amount of the renewal fee. At the election of HealthyHome, a Member/Affiliate that does not renew its Member/Affiliate Business may be terminated without notice by HealthyHome. If a Member/Affiliate Business position is terminated by the failure to renew or by voluntary resignation, a Member/Affiliate may not be reinstated or regain its Rank or Downline Organization existing at the time of termination and may not reapply as a new Member/Affiliate for four (4) months or later at the sole discretion of HealthyHome. Further, HealthyHome may also elect in its sole discretion not to renew a Member/Affiliate Contract upon its anniversary date.

#### **4.5 Member/Affiliate Consent**

A Member/Affiliate hereby consents to HealthyHome's use of the Member/Affiliate's name and image, including, but not limited to: the Member/Affiliate's legal or other name, professional name(s), photographs, testimonials, likeness, title, positions, voice(s), biography and any film footage, videotapes, audiotapes, recordings, articles and interviews of the Member/Affiliate, in any form and medium whatsoever, when created in connection with any HealthyHome product or opportunity or any events, promotions and/or conventions to advertise, promote and publicize HealthyHome product or the HealthyHome business opportunity. A Member/Affiliate may withdraw such consent by notifying HealthyHome in writing and providing at least six (6) months advance notice before such withdrawal takes effect; provided however such Member/Affiliate is not entitled to retain its Member/Affiliate position during the six (6) month period. In addition, a Member/Affiliate agrees that HealthyHome may contact the Member/Affiliate by the provided telephone number(s), fax number(s) or E-mail address concerning his or her Member/Affiliate Business and Member/Affiliate status during the term of this Contract.

#### **4.6 Policy Enforcement**

The failure of HealthyHome to enforce any of the provisions of the Contract with one Member/Affiliate does not waive the right of

HealthyHome to enforce any such provision(s) with that same Member/Affiliate or any other Member/Affiliate.

#### **4.7 Member/Affiliate Lists**

HealthyHome desires to protect its Member/Affiliates and HealthyHome from unfair competition. Lists of Member/Affiliates and any Customers, activity reports, Downline Organizations and other information about Member/Affiliates or Customers (electronically, paper or otherwise "Lists"), whether partial or complete, provided by or originating from HealthyHome or any Member/Affiliate may not be reproduced in any way or in any part by a Member/Affiliate. The Lists are the confidential and proprietary property of HealthyHome. HealthyHome has derived, compiled, configured, and currently maintains Lists through the expenditure of significant time, computer programming and monetary resources. Lists, in present and future forms and as amended from time to time, constitute commercially advantageous proprietary assets and trade secrets of HealthyHome, which Member/Affiliates agree to hold confidential. Lists shall not be disclosed by Member/Affiliates to any third party or used for any purpose other than in the performance of their obligations under the Contract and for the benefit of HealthyHome and the Member/Affiliate's Business. Lists are provided for the exclusive and limited use of the Member/Affiliates to facilitate the training, support, and service of the Member/Affiliate's Downline to further the Member/Affiliate's Business. By accessing HealthyHome information, materials or Lists online or through other electronic means, a Member/Affiliate agrees to comply with all requirements designated for such access. Each Member/Affiliate agrees that the use of Lists within the intended scope constitutes a separate, exclusive license agreement between the Member/Affiliate and HealthyHome. Lists remain, at all times, the exclusive property of HealthyHome and must be returned to HealthyHome upon request. A Member/Affiliate that receives a List agrees to limit the use of a List to exclusively advance a Member/Affiliate's Business; and to hold confidential and not disclose any List or portion thereof to any third party, including, but

not limited to, other Member/Affiliates, competitors, and the general public. Any unauthorized use or disclosure of Lists constitutes misuse, misappropriation and a violation of the Contract and may cause irreparable harm to HealthyHome. Member/Affiliates agree that upon any violation of this paragraph or upon any request by HealthyHome for any reason or no reason, the Member/Affiliate will stipulate to injunctive relief, enjoining such use under applicable national or local law and retrieve and return to HealthyHome all existing Lists previously provided to the Member/Affiliate and that intended or unintended misuse of a List may be cause for termination of a Member/Affiliate's Business, whether or not such misuse causes irreparable harm to HealthyHome or one of its Member/Affiliates. In addition, a Member/Affiliate agrees that the obligations under this Section will survive the termination of the Contract and that HealthyHome reserves the right to pursue all appropriate remedies under applicable national or local laws to protect its rights to the Lists as proprietary and trade secrets of HealthyHome. Any failure to pursue such remedies will not constitute a waiver of those rights. A Member/Affiliate agrees that, but for this agreement of confidentiality and non-disclosure, HealthyHome would not provide the Lists to the Member/Affiliate.

#### **4.8 Personal Data and Right of Privacy**

From time to time, it will be necessary for Member/Affiliates to provide HealthyHome with personal information for purposes relating to their Member/Affiliate Business or application to become a HealthyHome Member/Affiliate. These purposes may include, among other purposes:

- a. Processing the Member/Affiliate Application;
- b. Processing, fulfilling, and notifying a Member/Affiliate of its product order status;
- b. Developing Downline reports or other related business reports;
- d. Providing Member/Affiliate services such as planning and facilitating Member/Affiliate meetings and training;
- e. Administering Member/Affiliate benefits;
- f. Developing and implementing policies,

marketing plans and strategies;

- g. Publishing personal information in HealthyHome newsletters, promotional materials and company and intra-group communications;
- h. Providing references;
- i. Complying with applicable laws and assisting with any governmental or police investigation; and
- j. Other purposes directly relating to any of the above.

#### **4.9 Communicating Personal Information to Third Parties**

Where permitted by the provisions of applicable law, HealthyHome may provide a Member/Affiliate's personal information to, among others, the following persons or entities:

- a. Employees, officers, members, and managers of HealthyHome and its local and foreign associated or affiliated companies;
- b. Any agent, contractor, supplier, vendor or other third party that provides administrative, advertising, printing or other services to HealthyHome or its affiliated companies, including, but not limited to, distribution centers, external auditors, medical practitioners, trustees, insurance companies, actuaries and any consultant or agent appointed by HealthyHome or its affiliated companies to plan, provide, and/or administer Member/Affiliate benefits;
- c. Sponsors and Upline leaders that may need access to Downline Member/Affiliate personal information in order to monitor sales activity and business development in their Downline. However, HealthyHome does not share credit card information with any third party without Member/Affiliate permission or unless required by law or valid court order;
- d. Persons or organizations seeking references; and
- e. Any government agency or other appropriate governmental, police or regulatory authority.

#### **4.10 Member/Affiliate Access to Personal Information**

A Member/Affiliate may request and obtain from HealthyHome the personal information HealthyHome has on file about the Member/Affiliate. Requests for personal information should be addressed in writing to HealthyHome Member/Affiliate Support.

#### **4.11 Member/Affiliate Gifts to HealthyHome Employees**

HealthyHome employees are dedicated professionals committed to the success of Member/Affiliates. HealthyHome employees may not accept any cash gifts from a Member/Affiliate unless approved by HealthyHome.

#### **4.12 HealthyHome Employees**

A Member/Affiliate shall not solicit or Sponsor HealthyHome employees or members of the employee's household to be Member/Affiliates or otherwise grant an employee any beneficial interest in any Member/Affiliate Business. Unless approved by HealthyHome, during the term of her employment no HealthyHome corporate officer, member, manager, employee, product supplier, agent, representative or consultant or any member of their household is allowed to be a Member/Affiliate, have a beneficial interest in any Member/Affiliate Business or build a Downline within HealthyHome or any other network marketing or direct-selling company without the consent of HealthyHome.

#### **4.13 Vendor Confidentiality**

HealthyHome's relationships with its vendors and suppliers are confidential and proprietary. Consequently, a Member/Affiliate shall not contact or communicate, directly or indirectly, in any way with any HealthyHome vendor or supplier, except at specific HealthyHome events that the vendor or supplier may attend.

#### **4.14 Non-Circumvention**

Each Member/Affiliate represents and warrants that by entering into this Contract, the Member/Affiliate (i) is not and will not violate any other agreement that the Member/Affiliate has entered into, (ii) has not entered into any

agreement that may invoke a non-competition or non-solicitation restriction by any employer or direct selling company that will restrict or prevent the Member/Affiliate from performing the Member/Affiliate's duties hereunder and (iii) has no existing contractual or fiduciary duties that prevent the Member/Affiliate from receiving the benefits of and performing the duties of this Contract.

# Section 5: Sponsoring

## 5.1 Sponsoring

Sponsoring is an important part of being a Member/Affiliate and being a Sponsor brings many benefits and responsibilities. A Member/Affiliate may act as the Sponsor for an applicant so long as the Member/Affiliate is an Active Member/Affiliate and otherwise in good standing with HealthyHome. If more than one Member/Affiliate claims to be the Sponsor of the same applicant, then HealthyHome may resolve such dispute in its sole discretion. A Sponsor must clearly state in all presentations to prospective Member/Affiliates that no product purchase is required to become a Member/Affiliate and that there is no compensation paid to any Member/Affiliate solely for sponsoring new Member/Affiliates.

## 5.2 Sponsor Duties

Duties of a Sponsor include: offering support, information and assistance as well as bona fide supervisory, marketing, selling and training support; assisting Downline Member/Affiliates to understand and comply with the most current Contract; and resolving any disputes arising between persons related to his or her organization, including any customers and any Downline Member/Affiliates. It is the Sponsor's responsibility to provide any prospective Member/Affiliates an opportunity to fully review the Contract before such prospective Member/Affiliates complete and sign the Member/Affiliate Application and pay the activation fee.

## 5.3 Sponsor Change

If an incorrect placement was made due to a Member/Affiliate error, a change in the line of sponsorship may be made to correct the error within two (2) business days of enrollment or before the first Commission Cycle, whichever occurs first, unless otherwise agreed by HealthyHome. To correct a placement error, the newly enrolled Member/Affiliate must submit an amended Member/Affiliate Application with the new placement information along with any other

documentation HealthyHome may request. A Member/Affiliate may not attempt to persuade other Member/Affiliates to change Sponsors or

their position within a particular Downline. This is known as "Downline Raiding," and a Member/Affiliate who engages in Downline Raiding will be subject to disciplinary action by HealthyHome, including the possible termination of the Member/Affiliate's Business.

## 5.4 Succession

Upon death, a Member/Affiliate Business may pass to successors in interest as provided by law and upon HealthyHome receiving a signed Member/Affiliate Application from the successor along with certified copies of the death certificate and will, trust or other legal instrument demonstrating the successor's rights and interest. After acceptance by HealthyHome, a successor shall be entitled to all the rights and be subject to the duties and obligations of the Contract.

## 5.5 International Sponsoring

HealthyHome allows Member/Affiliates the unique opportunity to Sponsor other Member/Affiliates in approved foreign countries that are officially "Opened" by HealthyHome. A country is Opened when HealthyHome publishes notice of such opening in an official HealthyHome publication or on HealthyHome's internet website from the HealthyHome corporate headquarters in the United States. HealthyHome may provide pre-launch marketing materials or applications for certain countries to assess the interest and commercial viability of such market, however, such activity shall not constitute the opening of a country. No unauthorized pre-marketing activity is allowed in any country that HealthyHome has not yet formally opened. Any violation of this rule may be grounds for termination of the Member/Affiliate's Business. In addition, the violator shall compensate HealthyHome for any loss suffered, including, but not limited to, loss of profit, loss of good will, damages and reasonable attorney's fees.

## **5.6 International Sponsor Requirements**

To participate in HealthyHome as an International Sponsor, a Member/Affiliate must (i) be an Active Member/Affiliate in good standing in his or her country of residence and (ii) have read and understand all aspects of the foreign country's laws, regulations, policies and procedures and agree to and abide by such together with the HealthyHome compensation plan in and for the foreign country. Violation of this Section may lead, not only to HealthyHome disciplinary action but also, to governmental regulatory action which may include severe fines, confiscation of property, closure of business operations or even imprisonment.

## **5.7 Sponsor Restrictions**

Member/Affiliates must not engage in blind prospecting or soliciting in foreign countries without prior written approval from HealthyHome. Many countries have strict privacy laws that forbid blind solicitations. Also, many foreign laws forbid advertising for leads. Member/Affiliates are responsible to comply with all domains and foreign laws applicable to their respective Member/Affiliate businesses.

## **5.8 Import/Export**

A Member/Affiliate may not import any HealthyHome product into a market in which that product is not approved. A Member/Affiliate may not send any unauthorized HealthyHome product to another country. Any customers or Member/Affiliates residing in a foreign country must purchase their products directly from the HealthyHome corporate offices in their home country or through the HealthyHome corporate offices in the United States on a Not-For-Resale (NFR) basis. HealthyHome may restrict, in its sole discretion, the quantity of HealthyHome product ordered by any one Member/Affiliate or directed to be shipped to any particular location.

## **5.9 Promotional Activities and Literature**

A Member/Affiliate may not use HealthyHome literature or create and use promotional literature approved for use in one country in any other foreign country. Promotional statements from one country's literature may not be appropriate or legal for another country. A Member/Affiliate may

not seek or participate in media coverage (in any country or territory) of any kind without the prior written approval from HealthyHome.

## **5.10 Member/Affiliate Foreign Sales**

A Member/Affiliate does not have the right to retail HealthyHome product in a foreign country. That right is reserved for individuals who are Member/Affiliates residing in the country and only in countries and for products approved for retail sales. To avoid, among other things, adverse tax consequences, restitution requirements and violations of foreign law, a Member/Affiliate must refer Customer product orders to his or her Downline Member/Affiliates living in the foreign country.

## **5.11 International Sponsor Commissions**

International Sponsors receive Commission payments for the CV generated by their Downline in the foreign country pursuant to that foreign country's HealthyHome Compensation Plan. Qualification levels and Commission payments may differ in each foreign country and Member/Affiliates should familiarize themselves with the foreign country's specific HealthyHome Compensation Plan. Whenever possible, earnings are paid from the Member/Affiliate's home country HealthyHome office in the Member/Affiliate's Home Country currency. There may be specific income-tax withholding requirements in a foreign country. When required, withholdings will be deducted from the Member/Affiliate's foreign country earnings.

## Section 6: Purchasing HealthyHome Product

### 6.1 Product Ordering and Payment Guidelines

A Member/Affiliate may order HealthyHome product by placing an order with HealthyHome and making proper payment. Funds must be available at the time the order is placed. Orders may be held until the availability of funds is verified. It is HealthyHome's intention that CV attributed to any order will be credited to the Commission Cycle in which the product payment is received.

- a. HealthyHome attempts to ship orders within two (2) business days after receipt of the order and upon the clearing of verified funds. If HealthyHome is temporarily out of stock on the ordered merchandise, a Member/Affiliate should receive a backorder notice on that product.
- b. Upon receipt of an order, Member/Affiliates should immediately, but in no case more than 48 hours from receipt inspect the order to determine whether it is complete and in an undamaged condition. If an order is incomplete, the Member/Affiliate should immediately call HealthyHome Member/Affiliate Support. If an order is damaged upon receipt, the Member/Affiliate should contact the HealthyHome Member/Affiliate Support Department so that it can file a claim with the carrier for goods damaged in transit.
- c. Before assuming a shipment is lost or missing, a Member/Affiliate should wait at least fifteen (15) working days from the placing of a mail order and ten (10) working days from the placing of a telephone, email or Internet order. If a shipment is lost or missing, the Member/Affiliate should then notify HealthyHome's Member/Affiliate Support Department. Lost shipments, if later found and/or delivered, must be reported to HealthyHome Member/Affiliate Support within seven (7) days of delivery.
- d. A Member/Affiliate that signs a delivery

release with a common carrier authorizing the carrier to deliver an order without a signature agrees to release HealthyHome from responsibility for such delivery.

A Member/Affiliate agrees that HealthyHome reserves the right to assess a handling fee of twenty dollars (\$20) for each credit card charge-back.

- e. Prepaid orders received before close of business at HealthyHome on the last working day of the week are included in that week's Commission Cycle.
- f. HealthyHome may, at its sole and absolute discretion, reject an order for any or no reason, including if HealthyHome experiences production difficulties, change of production, failure by its suppliers to deliver or unexpected high demand or unforeseeable events such as force majeure events, terror attacks or Acts of God.
- g. In the event that a Member/Affiliate's credit/debit card on file is declined during the payment process, the Member/Affiliate agrees to allow HealthyHome to charge a secondary credit/debit card on file, if one exists.

### 6.2 Customers

A Member/Affiliate may purchase HealthyHome product for resale to Customers in addition to purchasing for personal consumption in all open markets. Member/Affiliates may sell HealthyHome product to Customers at a price of their choosing, however a Member/Affiliate may not advertise on the Internet, in flyers or any other advertising medium any price lower than the Suggested Retail Price of any HealthyHome product.

### 6.3 The 70% Rule

In order to provide each Member/Affiliate an opportunity to purchase the high demand HealthyHome product and to avoid any excessive storage or stocking of HealthyHome product, HealthyHome and its Member/Affiliates subscribe to the 70% Rule (the "70% Rule"), which requires that a Member/Affiliate consume or sell at least 70% of its previous HealthyHome product



purchases prior to any further HealthyHome product purchase. If the Member/Affiliate is unable to show compliance with the 70% Rule; or if orders are made to monopolize HealthyHome product or manipulate the Compensation Plan, HealthyHome may suspend a Member/Affiliate's ordering privileges and the Member/Affiliate's Business. In order to avoid inventory loading and provide available product for all Member/Affiliates and Customers desiring product, any order of HealthyHome product may not exceed \$1,500, unless such order is approved in advance by HealthyHome.

#### **6.4 Compensation Plan Participation**

A Member/Affiliate and those in the Member/Affiliate's Downline may not order HealthyHome product for the sole purpose of participating in the HealthyHome Compensation Plan or to "qualify" or entitle themselves or others to earn Commission payments. By placing any product order, the Member/Affiliate certifies that the Member/Affiliate has complied with the 70% Rule with respect to the current and all previous orders.

#### **6.5 Product Care**

All HealthyHome products should be stored in a cool, dry and hygienically safe area or as otherwise directed by the label. As a general rule, the product should be kept at least four inches (4") above the floor. HealthyHome is not responsible for product that is damaged due to improper storage.

#### **6.6 Order Fulfillment**

Orders submitted without payment in full may not be filled until payment in full is received. If payment for an order is insufficient, HealthyHome reserves the right, in its sole and absolute discretion, to withhold items from the order. Any liability arising out of the unfulfillment, or partial fulfillment of an incomplete order lies with the Member/Affiliate that placed the order. Payment must accompany all orders. Depending on the specific country, payment for orders should be by credit card. HealthyHome will not accept COD (cash on delivery) orders. HealthyHome is not responsible for orders that are delayed in transit or for orders that do not arrive at the appropriate HealthyHome office complete with a valid form of

payment. Email orders must be received by HealthyHome on or before 4:00 P.M. Mountain Time and on or before the last business day of the week with proper payment, to be included with that week's CV.

#### **6.7 Telephonic and Electronic Orders**

HealthyHome product orders may be placed by telephone, email, website or other electronic means. The funds for any purchase must be approved prior to a sale. If HealthyHome is informed that a Member/Affiliate's credit card is declined or not approved, the product order will be deleted unless the Member/Affiliate has an alternate payment method. A Member/Affiliate assumes full responsibility for any and all consequences that may result when HealthyHome receives notice that the credit card transaction is declined or not approved, including failing to Qualify in the Compensation Plan. A Member/Affiliate that initiates credit card chargebacks may be deemed to have "Disputed Balances." The Member/Affiliate receiving credit for the order in question will have Commissions suspended and applied toward the Disputed Balance until the dispute is resolved to the satisfaction of HealthyHome. Orders by email must be received by HealthyHome on or before 4:00 P.M. Mountain Time before the last business day of the week and orders by internet or other electronic means must be received by HealthyHome on or before Midnight, Mountain Time on Saturday, each with proper payment, to be counted in that week's Commission Cycle. Member/Affiliates are responsible for any errors created using online order processing such as using an old or incorrect item number.

#### **6.8 Subscription**

Any changes to Subscription must be made two (2) business days before the scheduled ship date. A Subscription order may be cancelled at the discretion of HealthyHome.

#### **6.9 CV Transfers**

The transfer of Commissionable Volume ("CV") from one Member/Affiliate to another is not permitted, unless approved in advance by HealthyHome in its sole discretion.

## **6.10 Orphan Lead Distribution**

Any Customer or potential Member/Affiliate leads that come to HealthyHome may be referred to Member/Affiliates. HealthyHome reserves the right to refer any unclaimed leads to any Member/Affiliate, based upon Rank and/or geographic location. The distribution of orphan leads is made in the sole discretion of HealthyHome.

## **6.11 Ordering Restrictions**

Member/Affiliates may not submit orders in the name of another Member/Affiliate. Only orders made on behalf of the Member/Affiliate's own Member/Affiliate Business will be honored by HealthyHome. A Member/Affiliate may not use HealthyHome's website or other electronic means to place orders for the Member/Affiliate's account using another Member/Affiliate's credit card. If the use of another Member/Affiliate's credit card is needed, both Member/Affiliates must call HealthyHome Member/Affiliate Support and speak with a Member/Affiliate Support Agent. The credit card owner must be on the line to give approval for the transaction. It is HealthyHome policy that products should be purchased in reasonable amounts in the ordinary course of business for either actual personal use or the sale to Customers.

## **6.12 Taxes**

HealthyHome product may be subject to taxes in some jurisdictions. If HealthyHome collects and remits tax in any jurisdiction, HealthyHome may advise Member/Affiliates that such taxes are required to be collected on their behalf. The collection and remission of taxes by HealthyHome does not relieve Member/Affiliates of their responsibility and duty to comply with any and all tax regulations appropriate to Member/Affiliates. Due to the fact that all Member/Affiliates are independent contractors, HealthyHome does not withhold any taxes from earnings provided a Member/Affiliate provides a valid Social Security or Tax Identification Number. As required by the Internal Revenue Service or local government, HealthyHome will issue a Form 1099 or equivalent at the end of each calendar year, which reports all of the earnings paid to a Member/Affiliate by HealthyHome. Consequently, a Member/Affiliate

is required to provide all necessary information to HealthyHome that is required to complete the 1099 or equivalent form. Member/Affiliates residing outside the United States or any Member/Affiliate without a valid Social Security or Tax Identification Number may be required to satisfy US tax law with HealthyHome being required to withhold taxes on Commissions to comply with US law. If a Member/Affiliate wishes to be sales tax exempt, HealthyHome must receive a copy of the Tax Identification Number and sales tax-exempt documentation, and HealthyHome must approve of such status in its sole and absolute discretion.

## **6.13 Excuse for Non-Performance**

HealthyHome shall not be responsible for delays and failures in performance where performance is made commercially impracticable due to circumstances beyond HealthyHome's reasonable control. This includes, but is not limited to, strikes, labor difficulties, riot, war, natural disaster, death and curtailment of HealthyHome's usual source or supply or any governmental decrees or orders.

# **Section 7: Member/Affiliate Marketing and Promotion of HealthyHome Products and Opportunity**

## **7.1 General Advertising**

Member/Affiliates must promote HealthyHome products and the HealthyHome business opportunity in compliance with the Contract and with any other guidelines or other instructions issued by HealthyHome. For any advertising such as the Internet, television, radio, flyers or pamphlets etc., a Member/Affiliate shall not advertise any price for any HealthyHome product or service lower than the Suggested Retail Price regardless of volume discounts or any other promotions. Further, a Member/Affiliate may not advertise free shipping, free enrollments or sign-ups or other such offers that grant advantages beyond those available through HealthyHome. A Member/Affiliate may not utilize electronic media advertising of HealthyHome product or the HealthyHome business opportunity on television, radio or on any Internet site without prior written approval from HealthyHome.

## **7.2 Promotional Material**

Upon the prior written approval of HealthyHome, a Member/Affiliate may use HealthyHome names, logos or trademarks so long as such use is in accordance with the Contract and other HealthyHome guidelines. All HealthyHome literature, audiotapes, videotapes, website material and programs are copyrighted by HealthyHome and are otherwise the intellectual property of HealthyHome and may only be duplicated by obtaining the prior written consent of HealthyHome. Member/Affiliates may refer to their HealthyHome replicated website for approved materials and proper branding guidelines.

## **7.3 Proprietary Names and Intellectual Property Rights**

A Member/Affiliate may not use HealthyHome's employee names, trademarks, names, domain names, logos, trade dress or trade names or any

distinctive phrases used by HealthyHome to promote the Member/Affiliate's Business prior to receiving written permission from HealthyHome. To protect the proprietary rights of HealthyHome, a Member/Affiliate may not obtain, through filing for a patent, trademark, Internet domain name or copyright, any right, title or interest in or to the names, domain names, trademarks, logos or trade names of HealthyHome and its products. As HealthyHome changes or abandons any of its trade names or marks, a Member/Affiliate agrees to also change or abandon such trade name or mark. Should a Member/Affiliate possess or control any HealthyHome intellectual property rights, the Member/Affiliate agrees to assign such intellectual property rights without charge or delay to HealthyHome.

## **7.4 Product Claims**

A Member/Affiliate may not make any medicinal and/or therapeutic claims for any HealthyHome product or specifically prescribe HealthyHome product as suitable for the treatment of any ailment. No representation or sales offers may be made relating to HealthyHome product that is not accurate or truthful as to grade, quality, performance and availability. Appropriate product information is contained in authorized HealthyHome literature and is subject to periodic review and revision by HealthyHome. It is the Member/Affiliate's responsibility to obtain and use only current literature. All product representations made by a Member/Affiliate must be the same as those found in current HealthyHome literature. Member/Affiliates are prohibited from diagnosing any medical condition or from prescribing or suggesting any HealthyHome product as a form of treatment for any disease or condition. If an interested person, customer or Member/Affiliate is suffering from a medical condition, it is recommended that they speak with a medical

professional prior to making any nutritional or dietary changes in their lives.

## **7.5 Income and Opportunity Claims**

No unreasonable or misleading claims or intentional misrepresentation of earnings or potential income may be made by a Member/Affiliate. Income guarantees of any kind are prohibited, as is the exhibition of actual or copies of Commission payments or earnings statements. Income representations must be honest and based in fact. In addition, income representations must include the disclaimers that earnings may vary depending on the degree of effort employed, no earnings are guaranteed, and a Member/Affiliate is not guaranteed to reach a certain compensation level.

## **7.6 Future Growth Claims**

A Member/Affiliate shall not imply or assert that additional products or services will be added to the products and services currently offered by HealthyHome or that enhancements to the HealthyHome Compensation Plan are forthcoming or that specific territories or areas will be open or added to the Member/Affiliate Business operation unless or until the change or event has been officially announced in writing by HealthyHome.

## **7.7 Governmental Claims**

A Member/Affiliate shall not state, suggest or imply that the HealthyHome Compensation Plan or its products or business opportunities are approved by any state attorney general, government authority or agency or other third party.

## **7.8 Internet Advertising**

A Member/Affiliate may not advertise on the Internet by purchasing space on instrumentalities such as a search engine, "banner" or commercial website without the express written permission of HealthyHome. A Member/Affiliate may not use mass e-mailings (except to those on "opt-in" lists) or e-mail spamming to promote the HealthyHome opportunity or product.

## **7.9 Member/Affiliate Websites**

A Member/Affiliate may use the Internet to promote his or her HealthyHome Business through

the Company's website programs. HealthyHome's replicating websites allow Member/Affiliates to advertise on the Internet and to choose a website that may be personalized with the Member/Affiliate's message and the Member/Affiliate's contact information. These websites link directly to the official HealthyHome website, giving the Member/Affiliate a professional and Company-approved presence on the Internet. A Member/Affiliate may independently design a website that clearly identifies the website as that of a HealthyHome Member and uses an approved Member/Affiliate logo. Such websites and all other websites used by a Member/Affiliate are subject to review and prior approval by the HealthyHome Compliance Department. A Member/Affiliate's website may contain certain personal and opportunity testimonials as well as motivational information provided that:

- a. The material reflects the honest and balanced expression of the true experience of the provider of the testimonial or motivational information.
- b. The material does not represent that all or most people will have the same experience.
- c. The material is accompanied by a disclaimer acceptable to HealthyHome.
- d. Product testimonials shall not be displayed on a Member/Affiliate's website without approval by the HealthyHome Compliance Department.
- e. There are no claims that products or programs are for sale in any country other than the country in which the products or programs have been approved by HealthyHome.
- f. The website may contain information from the HealthyHome corporate website and may have hyperlinks to the HealthyHome corporate website homepage or to the Member/Affiliate's HealthyHome replicated website.
- g. It is the Member/Affiliate's responsibility to obtain and use only current information on his or her website.
- h. An independent website may not

use the corporate logos or images, compensation plan, or downloadable documents of HealthyHome or sell HealthyHome products or the HealthyHome business opportunity, until after submitting their request and website material to HealthyHome for review and approval. Member/Affiliate's must receive written approval from HealthyHome and pay the required license fee of \$5,000 in order to post any online site or sell any product. Product will be required to be sold at the listed retail amount or greater. Member/Affiliate's must receive written approval from HealthyHome and pay the required license fee of \$5,000 in order to sell any product or pay the required fee of \$5000 to post any informational online site.

- i. A Member/Affiliate's website shall not infringe on any third-party trademarks or copyrights. The Member/Affiliate agrees to indemnify and hold HealthyHome, its affiliates and subsidiary organizations and their directors, officers, employees and agents harmless against any action or claim for infringement on a third party's intellectual property rights arising from the website.
- j. The website shall not contain any information or hyperlinks to websites of competitors or competitors' products.

## **7.10 Domain Names**

A Member/Affiliate may not register or use any HealthyHome name(s), trademark(s), logo(s), product name(s) or any derivatives or confusingly similar variations of its marks, in any URL address or Domain name. Should a Member/Affiliate possess or control any HealthyHome intellectual property rights, the Member/Affiliate agrees to assign such intellectual property rights without charge or delay to HealthyHome.

## **7.11 Blogs, Chat Rooms, Social Networks, Online Auctions, Online Forums and other Online Medium**

A Member/Affiliate may use online blogs, chat rooms, social networks, video websites or other similar online medium, excluding online auction forums, to market, advertise, promote or discuss

HealthyHome's products, services or opportunity; however, product sales must be directed to a Member/Affiliate's HealthyHome replicating website and a Member/Affiliates use of such online medium are subject to the Member/Affiliate Website rules as set forth in Section 7.9. A Member/Affiliate participating on such sites must identify himself or herself as a Member and may use the appropriate Member/Affiliate logo. A Member/Affiliate's username may include the term "HealthyHome," however it may not solely consist of the word "HealthyHome" or give the impression it is the representative of a HealthyHome corporate office. Online auction forums may not be used to market, advertise, promote, discuss or sell HealthyHome's products, services or opportunity.

## **7.12 Sale or Promotion of Non-HealthyHome Product, Opportunities or Materials**

A Member/Affiliate shall not sell, promote or advertise non-HealthyHome product, opportunities, services or materials that are competitive with HealthyHome product, opportunities, services or materials on the Internet or with HealthyHome Products at HealthyHome functions or to Member/Affiliates or Customers. A HealthyHome function is a convention, meeting, seminar or similar event prepared by a Member/Affiliate or HealthyHome for Member/Affiliates, prospective Member/Affiliates or Customers or employees of HealthyHome. Sales, promotions or advertisements in violation of this provision may constitute unfair competition against HealthyHome and a breach of the Contract.

## **7.13 Company Recordings**

A Member/Affiliate may not, without the prior written approval of HealthyHome, produce for sale, in personal or business use, any audio, video or other recording of HealthyHome sponsored events, speeches or meetings. Neither may a Member/Affiliate produce or make available to others any company recordings without the express written permission of HealthyHome.

#### **7.14 Media Inquiries**

In order to ensure accuracy and consistency of information, a Member/Affiliate who receives any inquiry from the press or other media regarding any aspect of HealthyHome, its products or the HealthyHome business opportunity should refer such inquiry to the HealthyHome at [compliance@healthyhome.com](mailto:compliance@healthyhome.com).

Member/Affiliates shall not make oral or written public statements concerning HealthyHome or its products without prior written approval of HealthyHome.

#### **7.15 Member/Affiliate Organizations, Meetings, General Fees and Training Fees**

Unless specifically approved in advance in writing by HealthyHome, a Member/Affiliate may not charge a fee for any newsletters, services, training seminars, websites or web templates or materials about HealthyHome, its business opportunity, its products or marketing materials, services or training on HealthyHome product or marketing materials. A Member/Affiliate may not charge other Member/Affiliates a membership fee for participation in any other program or organization. A Member/Affiliate may not offer to pay or actually pay other Member/Affiliates compensation (i.e., commissions or personal rebates) for purchases of non HealthyHome product, opportunities or other materials. A Member/Affiliate cannot advertise free sign-ups or membership, free shipping or discounted product or rebates that reduce the product price below the Suggested Retail Price. A Member/Affiliate may not preclude or stop any other Member/Affiliate from attending HealthyHome-sponsored events.

#### **7.16 Telephone Advertising**

Telephone advertising is allowed for Member/Affiliates that have achieved the rank of Elite or higher. All listings for telephone publications should read as follows: "HealthyHome Member" or "HealthyHome Member/Affiliate," followed by the Member/Affiliate's name, address and telephone number. A Member/Affiliate may not display advertisements in a telephone directory that use the HealthyHome name(s), logo(s), image(s) or product name(s), without the prior approval of HealthyHome. A

Member/Affiliate listing a toll-free telephone number may not use any HealthyHome name(s), logo(s) or product name(s) for such listing. A Member/Affiliate agrees to not use 800 or 900 numbers, surcharge numbers or other similar toll numbers for the purpose of marketing either the HealthyHome business opportunity or HealthyHome product. A Member/Affiliate may not answer the telephone in any manner that would give callers a reason to believe that they have reached the corporate headquarters or any other HealthyHome company offices. Specifically, a Member/Affiliate shall NOT answer the telephone by saying "HealthyHome" but shall answer indicating his or her status as a Member of HealthyHome. Answering machines and voice mail must also comply with this policy. A Member/Affiliate agrees to not use any automatic outbound calling device for promoting or soliciting the sale of the HealthyHome product or opportunity.

#### **7.17 Repackaging**

A Member/Affiliate agrees to not alter, repackage, distribute unauthorized samples of, re-label or otherwise change any HealthyHome product or sell any such product under any name or label other than that authorized by HealthyHome.

#### **7.18 Retail Store Sales**

HealthyHome strongly encourages the retailing and selling of its products and services through person-to-person contact. However, HealthyHome recognizes that some Member/Affiliates may find that selling products from small retail outlet stores may be beneficial. Therefore, Member/Affiliates may sell HealthyHome products in a small, individually owned retail outlet store where the store is owned or managed by the Member/Affiliate, the store(s) do(es) not exceed \$1 million in annual gross revenue, and there are five (5) or fewer stores under common ownership of management. Member/Affiliates must obtain written authorization from HealthyHome prior to selling any HealthyHome products in a retail store, and HealthyHome retains the discretion to restrict its products from being sold in any retail location which it does not deem acceptable. HealthyHome product, banners or literature may not be displayed publicly (as in store windows, etc.), but

only in a manner visible to customers once inside the store. Any exceptions to this Retail Store Sales rule must be submitted in writing to [compliance@healthyhome.com](mailto:compliance@healthyhome.com) prior to displaying, selling or distributing within a store that falls outside of the above guidelines.

### **7.19 Service Establishment Displays**

A Member/Affiliate who owns or is employed by a Service- Related Establishment may provide HealthyHome product and services to HealthyHome Customers through the service establishment so long as the Member/Affiliate provides proper support to the Customers. A Member/Affiliate who wishes to display products in a Service-Related Establishment must receive prior written permission from the HealthyHome Compliance Department. A "Service-Related Establishment" is one that receives revenue primarily by providing personal service rather than by selling products. Such establishments include offices of doctors, dentists, chiropractors, and other health professionals, health clubs, gymnasiums, barber shops, beauty shops, nail boutiques, counseling services, tanning centers, and other such businesses where the customer's use of the establishment is generally controlled by membership or appointment. In such establishments, HealthyHome product or banners may not be displayed in the general lobby or outside the office or building where such products or materials are visible to the general public.

### **7.20 Trade Shows, Expositions, Fairs and Other Sales Forums**

A Member/Affiliate may display and/or sell HealthyHome product at trade shows and professional expositions but may not display competing products or products from any other direct-selling company with HealthyHome product. Member/Affiliates must contact the HealthyHome Compliance Department in writing for conditional, prior approval as there may be only one HealthyHome Member/Affiliate Business per event. A Member/Affiliate agrees to not display or advertise HealthyHome product at swap meets, flea markets, garage sales or any other similar events.

### **7.21 Alcohol Use**

HealthyHome is committed to creating and maintaining an environment that is free of alcohol abuse. In addition, HealthyHome is committed to providing an environment that supports individual freedom while promoting individual responsibility, health and safety, and community welfare. HealthyHome expects that those who wish to include alcohol as part of their activities or HealthyHome independent meetings will do so responsibly and lawfully. Responsible drinking includes making sound judgments about whether, when, and how much to drink, understanding the health issues related to the consumption of alcohol, and avoiding excessive or "binge" drinking or any other abuse of alcohol that negatively affects one's work, social, or personal activities, and health.

## Section 8: Product Guarantee, Returns and Inventory Repurchase

### 8.1 Customer Product Satisfaction Guarantee

Upon the sale of any product, a Member/Affiliate must notify each Customer about the HealthyHome Customer Product Satisfaction Guarantee (the “Guarantee”) and must provide the Customer with an official HealthyHome sales receipt, which contains the following notice on each sales receipt:

Customer Product  
Satisfaction Guarantee

The HealthyHome Member (Member/Affiliate) selling you the product(s) listed on this sales receipt extends to you as a Customer a personal 100% money-back Customer Product Satisfaction Guarantee. If, for any reason during the next thirty (30) days, you are dissatisfied with your HealthyHome product purchase, the HealthyHome Member/Affiliate making this sale to you will, upon your written request, issue to you a one-time exchange or a full purchase-price refund. To receive this refund, you must provide the Member/Affiliate with a signed letter stating your reason for dissatisfaction and return all unused portions of the product, as well as the container. Thereafter you must provide a statement that you have received a full refund. A repurchase of a HealthyHome product will establish your satisfaction with previous purchases of that product.

This Guarantee applies to Customers only and is not extended to HealthyHome Member/Affiliates. Except as provided above, the product(s) listed on this sales receipt is sold without warranty of any kind, including the implied warranties of merchantability and fitness for a particular purpose. In no event will HealthyHome or the Member/Affiliate selling you this product be liable for any direct, indirect, consequential or incidental damages arising out of the use of or inability to use HealthyHome product(s), even where HealthyHome has been advised of the possibility of

such damages. Some jurisdictions may restrict or not allow the limitation of liability for consequential or incidental damages, so the above limitation may be limited. If you do not receive a complete refund within thirty (30) days of your written request, please contact the HealthyHome Support Department by e-mail at [support@healthyhome.com](mailto:support@healthyhome.com).

### 8.2 Product Returns by Customers

A Customer who makes a purchase of \$25.00 or more has three (3) business days after the sale to cancel the order and receive a full purchase price refund consistent with the cancellation notice on the sales receipt. When a Member/Affiliate makes a sale or takes an order from a Customer that cancels or requests a refund within the three (3) day period, the Member/Affiliate must promptly refund the customer’s money. A Customer may also return product to his or her Member/Affiliate in accordance with the Customer Product Satisfaction Guarantee in Section 8.1. Upon receipt of the returned product and refund to the customer, the Member/Affiliate may contact HealthyHome Member/Affiliate Support to obtain a Return Merchandise Authorization number and follow the return procedures in Section 8.4. Member/Affiliates returning product to HealthyHome from a customer must include the sales receipt the Member/Affiliate gave to the customer at the time of the sale. Subject to the foregoing, HealthyHome will issue a replacement or exchange for properly returned product, but no monetary refund will be issued.

### 8.3 Product Returns by Member/Affiliates and Affiliates

a. Initial Order. HealthyHome offers Member/Affiliates, and Customers that order directly from HealthyHome, a 100%, 30-day money back guarantee of their initial product order. If for any reason a Member/Affiliate, Affiliate or Customer is dissatisfied with any HealthyHome product,



then he or she may return that product to HealthyHome within thirty (30) days of order date for replacement, exchange or full refund of the purchase price, less any shipping, handling charges and/or any sales tools, such as the sales kit. HealthyHome will adjust any Member/Affiliate and Upline Member/Affiliate commissions and bonuses earned from any sales when the Member/Affiliate or Customer returns product for a refund. If returned product changes the qualification status of a Member/Affiliate, any over-paid Commissions shall be returned to HealthyHome.

- b. Subsequent Orders. A Member/Affiliate or Affiliate may return resalable product from his or her last two orders that is unopened, undamaged and with at least six (6) months remaining before its expiration date for a product exchange or refund. Discontinued product may not be exchanged or returned for a refund. HealthyHome charges a 15% restocking and processing fee on any product that is returned. Monetary refunds are only provided to terminating Member/Affiliates or customers who return resalable, unopened, undamaged and usable products. HealthyHome will adjust Member/Affiliate commissions and bonuses earned from any sales when the Member/Affiliate or customer returns product for a refund. If returned product changes the qualification status of a Member/Affiliate, any over-paid Commissions shall be returned to HealthyHome.
- c. Product Buy-Back. After the initial order and pursuant to the 70% Rule, a Member/Affiliate who voluntarily terminates may return product to HealthyHome that was purchased within the past 365 days for a refund of 75% of the purchase price (less shipping and handling). Product must be in resalable condition, unless otherwise required by law. HealthyHome will adjust any

Member/Affiliate and Upline Member/Affiliate commissions and bonuses earned from any sales on returned product. If returned product changes the qualification status of a Member/Affiliate, any over-paid Commissions shall be returned to HealthyHome.

## 8.4 Procedures for Returns

To receive a refund, exchange or replacement on product purchased, a Member/Affiliate must do and agrees to the following:

- a. Obtain a Return Merchandise Authorization ("RMA") number from Member/Affiliate Support by emailing support@healthyhome.com
- b. Return the unused portion of the product to HealthyHome with the RMA number printed boldly on the outside of the shipping box, near the return address.
- c. Shipping costs for returned packages and related correspondence must be pre-paid by the Member/Affiliate or Customer. The Member/Affiliate or Customer is responsible for any damage or loss in the shipping process. Goods damaged in transit and therefore not marketable will be destroyed.
- d. After the returned product is received by HealthyHome with all appropriate information and documentation, the Member/Affiliate or Customer will be sent the exchange or replacement or will be refunded as the case may be. Refunds are issued to the original method of payment for the product.
- e. All products deemed resalable and returnable will be refunded at 75% of the purchase price. HealthyHome reserves the right at its sole discretion to determine if returned product is deemed resalable.
- f. RMA numbers are valid for thirty (30) days from the date of issue.
- g. Sales tools and promotional items are non-refundable.

# Section 9: Member/Affiliate Compensation

## 9.1 Member/Affiliate Compensation and Fees

A Member/Affiliate is compensated pursuant to the HealthyHome Compensation Plan. A Member/Affiliate is wholly responsible for meeting the qualifications for Commissions under the Compensation Plan, and under any other program qualification requirements. HealthyHome has no obligation to guarantee or assure that a Member/Affiliate meets any qualification requirement of the Compensation Plan.

## 9.2 Earnings Guarantees

A Member/Affiliate is neither guaranteed a specific income nor assured any level of profit or success. A Member/Affiliate's Commissions, income, profit and success can come only through the successful sale, use and consumption of HealthyHome product, all as set forth in the Compensation Plan.

## 9.3 Minimum Commission Cycle Amount

Generally, HealthyHome will not generate a Commission payment for any Commission amount less than twenty US dollars (\$50.00). When a Member/Affiliate is eligible for a Commission payment of less than \$50.00, this amount will be credited to the Member/Affiliate's HealthyHome account, and a Commission payment will be issued once the accumulated balance is twenty dollars or more.

## 9.4 Accounting Service Fees

Due to currency exchange requirements, computer processing costs and other Member/Affiliate services, a Commission Cycle processing fee may be charged for each country or territory in which the Member/Affiliate earns commissions. If a Member/Affiliate is not issued a payment in the Compensation Plan for a Commission Cycle, the Member/Affiliate will not be charged the processing fee(s) for that Commission Cycle.

## 9.5 Payment of Commissions

HealthyHome may pay Commissions by a pay card or any other payment method determined by HealthyHome in its sole and absolute discretion. A Member/Affiliate will be responsible to complete any applicable paperwork for a payment type and for any processing fees or charges incurred due to the payment method. Commission payments will be deposited weekly on or before the second Friday following the Commission Cycle in which the Commission was earned. Commissions issued to joint applicants in a Member/Affiliate Business will be issued in the name of the first applicant listed on the Member/Affiliate Application. Without prejudice to HealthyHome's right of termination, the payment of a Member/Affiliate's Commission may be suspended if the Member/Affiliate is in breach of any term or condition of the Contract.

## 9.6 Debiting of Commission Earnings

A Member/Affiliate agrees that HealthyHome may offset, debit or otherwise place a hold on a Member/Affiliate's Commission earnings for any amount the Member/Affiliate owes HealthyHome including the overpayment of Commissions, credit card chargebacks and government-imposed obligations.

## 9.7 Unclaimed Member/Affiliate Compensation or Credit Balance

When a HealthyHome Commission payment has been issued to a Member/Affiliate's pay card, but later returned to HealthyHome because a Member/Affiliate pay card has not been properly created or for some other reason beyond HealthyHome's control, the Commission payment amount shall be credited to the Member/Affiliate's HealthyHome account 180 days after its date of issue, unless otherwise required by applicable law. Thereafter, the credit will be subject to a monthly maintenance fee permitted by law, on amount value, to compensate HealthyHome in part for the continued search and investigation for the correct location of the Member/Affiliate owed the Commission payment and otherwise holding such funds, unless otherwise required by applicable law.

## **9.8 Foreign Market Instability**

The ability to make payments to Member/Affiliates residing in the United States as a result of the sale of HealthyHome product in countries outside the United States is dependent upon, among other things, the receipt by HealthyHome of US dollars in connection with such sales. Consequently, HealthyHome may restrict, delay or modify payments to Upline Member/Affiliates during such time as conditions in a foreign country limit or restrict the conversion or repatriation of money to HealthyHome.

## **9.9 Service Fees**

Service fees are charged for any Sponsor changes and possible sales or transfers. In addition, should a Member/Affiliate or any third party legally request or require extraordinary services that warrant additional time and expense to research and resolve, HealthyHome charges a fee of one hundred dollars (\$125.00) per hour plus costs, with a minimum of one hour assessed for each such case.

# Section 10: Member/Affiliate Resignation and Termination

## 10.1 Voluntary Resignation

Subject to the terms and conditions hereof, including but not limited to the survival provisions contained in section 10.5 hereof, a Member/Affiliate may, at any time, voluntarily resign as a Member/Affiliate. A Member/Affiliate, that resigns, loses all rights and all beneficial interests in the resigned Member/Affiliate Business and to any Downline Member/Affiliates. A Member/Affiliate who voluntarily resigns or becomes inactive may not reapply for a new Member/Affiliate Business or apply to hold a beneficial interest in an existing Member/Affiliate Business until four (4) months after HealthyHome has finalized the termination. During this four (4) month moratorium period, a Member/Affiliate may not earn any commissions and/or have orders with CV placed on their business account or any other HealthyHome business account. In the event that a Member/Affiliate does earn any commissions or places an order with CV on their account or any other HealthyHome business account, the four (4) month moratorium period will reset based on the date of the occurrence(s). A Member/Affiliate may resign voluntarily by submitting to HealthyHome a resignation letter signed by all Member/Affiliates in the Member/Affiliate Business and listing the Member/Affiliate name(s) and ID Number(s). In addition, such Member/Affiliate shall return or destroy all HealthyHome Lists in the Member/Affiliate's possession or control. A Member/Affiliate is not entitled to any renewal or sign-up fee refund upon his or her resignation.

## 10.2 Disciplinary Termination

A Member/Affiliate may be terminated by HealthyHome for "Cause." A Member/Affiliate agrees that HealthyHome has the right to take quick and decisive action in limiting or terminating a Member/Affiliate that is found in violation of the Contract or any federal or state laws, statutes, and/or regulations that pertain to the Member/Affiliate Business. HealthyHome also

reserves the right to pursue legal recourse for any such violations, as well as reimbursement from the Member/Affiliate for any expenses arising from the violation, including court costs and attorney's fees. A Member/Affiliate is not entitled to any renewal or activation fee refund upon termination. For purposes of this Section 10.2, and Section 10.3, and elsewhere in the Policies & Procedures, "Cause" shall mean the occurrence of any of the following: (i) any Member/Affiliate that is an individual that has been convicted of, or entered a pleading of guilty or *nolo contendere* to any criminal offense, excluding an offense under road traffic legislation for which a fine or non-custodial penalty is imposed; (ii) any Member/Affiliate that has committed any act of moral turpitude which may reflect unfavorably upon the business reputation or otherwise damage the goodwill of HealthyHome; (iii) any Member/Affiliate has through willful misconduct or gross negligence engaged in an act or course of conduct that causes material injury to HealthyHome; (iv) any Member/Affiliate that is in breach of the Contract; (v) any Member/Affiliate that has knowingly or recklessly engaged in any act or course of conduct reasonably likely to subject HealthyHome or any affiliate or Member/Affiliate of HealthyHome to any material fine, penalty or sanction by any governmental authority; or (vi) any Member/Affiliate that has engaged in any act or course of conduct that would result in the revocation, or jeopardize the renewal of, any licenses, permits, consents, authorizations, or approvals necessary for HealthyHome to conduct its business or that would have a material adverse effect on HealthyHome.

## 10.3 Disciplinary Process

Failure to abide by the Contract may lead to appropriate disciplinary action. In addition, HealthyHome may terminate a Member/Affiliate immediately for "Cause." After a disciplinary action is complete, HealthyHome may publicly announce details of such disciplinary action. Policy violations

that do not lead to immediate termination may be dealt with as detailed below. The disciplinary process may involve none of the following actions, one of the following actions, or all of the following actions:

- a. Informal warning. The Member/Affiliate may be notified verbally or in writing that the Member/Affiliate is in violation of the Contract.
- b. Formal warning. A formal written warning may be sent to the offending Member/Affiliate explaining the violation, required corrective action and stating that failure to remedy the stated violation may result in further disciplinary action.
- c. Probation. A Member/Affiliate may be placed on probation for violating the Contract. The length and conditions of the probation may vary, depending upon the circumstances, but may include the denial of access to Downline organizations, Lists, the HealthyHome replicated Office, any HealthyHome Websites or other restrictions. A Member/Affiliate placed on probation may appeal the probation using the same procedures for appealing a suspension.
- d. Suspension. Suspension is the temporary withdrawal of a Member/Affiliate's license to act as a Member/Affiliate. A Member/Affiliate and its Member/Affiliate Business may be suspended for serious violations or breaches of the Contract, and a suspension may last for a period of days or months, depending on the facts and circumstances of each case. In the event of a suspension, a suspension letter will be sent to the Member/Affiliate. This notice will list actions that the Member/Affiliate must take in order for HealthyHome to revoke the suspension. These actions may include the immediate cessation of all violations; the submission of a written statement to HealthyHome responding to the suspension; and such other action as may be necessary or requested by HealthyHome. A Member/Affiliate that fails to respond to, and comply with, a suspension letter may be terminated. A

Member/Affiliate may appeal a suspension in writing within the time period outlined in the suspension letter. Suspended Member/Affiliates are not eligible to receive compensation, earned or otherwise, from HealthyHome or participate in any HealthyHome functions or programs. HealthyHome reserves the right to withhold compensation until the disciplinary process has been completed to HealthyHome's satisfaction. Because suspended Member/Affiliates may not place product orders, they may not Qualify in the Compensation Plan during their term of suspension. HealthyHome may, at its absolute discretion, qualify a Member/Affiliate Business during the suspension and retain all the earned Commissions to, among other things, offset Member/Affiliate-caused damages to HealthyHome.

- e. Termination. When a decision is made to protect HealthyHome and other Member/Affiliates and/or customers by terminating a Member/Affiliate for cause, HealthyHome will send notification by mail to the terminated Member/Affiliate at the most recent address on file. Upon receipt of notice from HealthyHome, the Member/Affiliate shall immediately cease all Member/Affiliate activities and return all Lists to HealthyHome. Notice will be deemed received upon delivery, but no later than ten (10) days after mailing.

## **10.4 Appeal of Termination**

A Member/Affiliate that has been terminated involuntarily may appeal the termination by submitting a written explanation, including any extenuating or mitigating circumstances. The Member/Affiliate must submit the written appeal within the time period specified in the termination letter, but at least within fifteen (15) days of receipt of notice of the termination. HealthyHome will review any timely appeal and notify the Member/Affiliate of its decision. If the appeal is not received within the specified time period, the termination will be final.

## **10.5 Termination Results**

Whether a Member/Affiliate or Member/Affiliate Business is terminated through voluntary resignation or through involuntary termination by HealthyHome, that Member/Affiliate's licenses, rights and privileges are revoked and the Member/Affiliate is no longer entitled to sell HealthyHome product, to sponsor other prospective Member/Affiliates or represent himself or herself as an independent contractor or Member/Affiliate of HealthyHome. In addition, a terminated Member/Affiliate loses all rights to the existing Downline and is no longer entitled to receive Commissions, awards or any compensation whatsoever, already earned or otherwise, from HealthyHome, nor is the Member/Affiliate entitled to any other claim for indemnification with regard to the loss of his or her customer base or any investments made. A Member/Affiliate also loses any rights to Lists. A terminated Member/Affiliate must immediately return all existing Lists to HealthyHome and all other documents and materials made available to him or her. Involuntarily terminated Member/Affiliate Businesses are the property of HealthyHome and may remain in the current HealthyHome Downline position and will be disposed of in a manner that reflects consideration and serves the best interests of HealthyHome, as well as the interests of the Upline and Downline Member/Affiliates of the terminated Member/Affiliate Business. Notwithstanding the foregoing, a terminated Member/Affiliate must still comply with the restrictive covenant contained in the Contract, including, but not limited to, Section 4.3 of the Policies & Procedures.

## **10.6 Amendment/Acceptance**

HealthyHome may amend the Contract, or any portion thereof, at any time in its sole discretion and such changes shall be effective and binding thirty (30) days after such is published on the HealthyHome corporate website or in an official HealthyHome publication. A Member/Affiliate that either (i) orders HealthyHome products subsequent to publication of any new HealthyHome policy or amendment or (ii) does not cancel its Contract within 30 days of the publication of any new HealthyHome policy or amendment to the Contract, will be deemed to

have accepted such new policy or amendment and will be bound thereby from that date.

## **10.7 Limitation of Liability**

Regardless of the form of claim, whether in tort, contract or other, HealthyHome and its officers, directors, employees, agents, advisors and affiliates shall not be liable for any consequential, incidental, special or punitive damages, including lost profits, for any claims, misrepresenting, unethical conduct or any other breach of the Contract, by a Member/Affiliate. Further, each Member/Affiliate covenants and agrees to indemnify HealthyHome for any claims and/or losses, including advancing attorneys' fees to HealthyHome so that HealthyHome may defend itself with the legal counsel of HealthyHome's choosing, arising out of any Member/Affiliate's breach of this Section or any breach by such Member/Affiliate of any other provision of the Contract.

## **10.8 Governing Law and Jurisdiction**

This Contract shall be governed by the law of the State of Utah, as that law applies to contracts made and performed wholly within the State of Utah. HealthyHome and the Member/Affiliate that enter into this Contract irrevocably consent to the jurisdiction of the federal and state courts located in Utah County, Utah, in connection with any suit, action or proceeding arising out of or relating to the Contract. Further, each Member/Affiliate covenants and agrees not to file any action or proceeding in any court or other venue outside of Utah County, Utah. In the event of dispute, the prevailing party shall be reimbursed attorney's fees and reasonable travel and accommodation costs by the other party.



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