



# Policies & Procedures | U.S.

as of September 2014



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# Policies & Procedures | U.S.

## United States and its territories as of September 2014

Capitalized terms apply throughout the Policies & Procedures and are defined in Section 11.

### SECTION 1 – GENERAL PROVISIONS

#### 1.1. YOUR CONTRACT WITH ARBONNE

The contract between Arbonne International, LLC (“Arbonne”) and each Arbonne Independent Consultant includes:

- The Independent Consultant Application & Agreement Legal Terms & Conditions;
- The Policies & Procedures;
- The Arbonne SuccessPlan;
- The Arbonne Independent Consultant Code of Ethics;
- The Legal Terms & Conditions on Arbonne’s official website; and
- Arbonne’s Privacy Policy on Arbonne’s official website.

These documents are collectively referred to throughout these Policies & Procedures as the “Agreement.” Arbonne reserves the right to update and amend these documents periodically at the company’s sole discretion.

#### 1.2. AMENDMENTS TO THE AGREEMENT

No Arbonne Independent Consultant of any status may alter, amend or waive any provision of the Agreement, and any representation or statement to the contrary, or which is inconsistent with the foregoing, should not be relied upon and will not be binding on Arbonne. Arbonne Independent Consultants agree that they will be bound by any changes to the Agreement 30 days after notice of the amendment is published in commercially reasonable fashion, which includes, but is not limited to, posting online at Arbonne’s website, and that they have a duty to keep apprised of any such changes by either reviewing these materials online or by requesting a copy from Arbonne prior to making any additional purchases. If an Arbonne Independent Consultant does not agree to any amendment, he or she shall cancel his or her Independent Consultant Agreement in writing no later than the effective date of the amendment.

Arbonne reserves the right to periodically amend or modify the Agreement at its sole discretion. Each Arbonne Independent Consultant agrees to abide by the Agreement and all amendments and modifications.

#### 1.3. SEVERANCE OF INVALID PROVISIONS

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision never comprised a part of the Agreement.

#### 1.4. INDEPENDENT CONTRACTOR STATUS

Every Arbonne Independent Consultant is an independent contractor, not an employee of Arbonne. Each Arbonne Independent Consultant is a self-employed independent businessperson who conducts business under an agreement with Arbonne. Arbonne Independent Consultants are not purchasers of an intangible franchise or a distributorship. The Agreement between Arbonne and the Arbonne Independent Consultant does not create an employer/employee relationship, partnership or joint venture between Arbonne and the Arbonne Independent Consultant, and the Arbonne Independent Consultant shall not, and does not have the authority to, bind Arbonne to any obligation or liability, except as expressly stated in this Agreement. The Agreement authorizes you to sell

and establishes your rights and responsibilities in connection with the sale of Arbonne products and presentation of the Arbonne opportunity.

#### 1.5. INDEPENDENT CONTRACTOR OBLIGATIONS

- YOU WILL NOT BE TREATED AS AN EMPLOYEE FOR FEDERAL OR STATE TAX PURPOSES, OR FOR ANY OTHER REASON. Arbonne will not withhold any sums from Arbonne Independent Consultant earnings for tax purposes other than legally required backup withholdings should an Arbonne Independent Consultant provide an incorrect Social Security or taxpayer identification number. Each Arbonne Independent Consultant is solely responsible for and must pay all federal, state, and local FICA, or taxes applicable to all fees, commissions, overrides, bonuses, trips and other items of value he or she receives from Arbonne.
- Each Arbonne Independent Consultant is solely responsible for his or her own activities, commitments and contracts, and all liabilities, obligations and expenses which the Arbonne Independent Consultant incurs.
- Each Arbonne Independent Consultant is solely responsible for complying with all laws applicable to his or her business.
- Each Arbonne Independent Consultant sets his or her own hours and supplies his or her own equipment and tools for operating his or her business, such as telephones, transportation, professional services, office equipment and supplies. Each Arbonne Independent Consultant should determine his or her own methods of sale, so long as he or she complies with the Agreement.
- Each Arbonne Independent Consultant must maintain his or her own income and expense records to satisfy applicable federal, state/providences and local income and sales tax requirements. Following the close of each year, Arbonne will provide an IRS Form 1099 for tax reporting to the Arbonne Independent Consultants for tax reporting with earnings exceeding \$600 per year or product purchases totaling more than \$5,000 per year.
- Each Arbonne Independent Consultant must provide his or her own workers’ compensation insurance, if required or applicable.
- Each Arbonne Independent Consultant must provide all insurance coverage required or desired by the Arbonne Independent Consultant with respect to his or her business, including, without limitation, medical and hospitalization insurance, automobile insurance and general comprehensive liability insurance.
- Each Arbonne Independent Consultant must obtain all necessary licenses, permits and other governmental approvals applicable to his or her business, including qualifications to transact business in states other than his or her domicile.

## 1.6. WARRANTIES, LIMITED LIABILITY AND INDEMNITY

### 1.6.1. NO EXPRESS OR IMPLIED WARRANTIES

EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS AGREEMENT, ARBONNE DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, COMPATIBILITY, SECURITY, ACCURACY, OR USEFULNESS WITH RESPECT TO ARBONNE'S PRODUCTS AND SERVICES, ITS WEBSITE, INFORMATION CONTAINED ON THE WEBSITE, THE ARBONNE REPLICATED WEBSITE PROGRAM, OR THE ARBONNE OPPORTUNITY (COLLECTIVELY HEREAFTER, "SERVICE").

THIS SERVICE IS PROVIDED "AS IS." YOU MAY RELY ON THIS SERVICE SOLELY AT YOUR OWN RISK. ADVICE, OPINIONS AND STATEMENTS SHOULD NOT BE RELIED UPON WHEN MAKING IMPORTANT PERSONAL, MEDICAL, LEGAL OR FINANCIAL DECISIONS. YOU SHOULD CONSULT A PROFESSIONAL TO OBTAIN SPECIFIC ADVICE APPROPRIATE TO YOUR CIRCUMSTANCES. WE DO NOT WARRANT THAT THIS SERVICE WILL BE UNINTERRUPTED OR ERROR-FREE, AND THERE MAY BE DELAYS, OMISSIONS, INTERRUPTIONS AND INACCURACIES IN THE INFORMATION OR OTHER MATERIALS THAT ARE AVAILABLE ON OR THROUGH THIS SERVICE. YOU ASSUME FULL RESPONSIBILITY AND RISK OF LOSS, INCLUDING LOSS OF DATA, RESULTING FROM YOUR DOWNLOADING AND/OR USE OF ARBONNE'S WEBSITE OR THIS SERVICE. USE OR CONTINUED USE OF THIS SERVICE BY AN INDEPENDENT CONSULTANT CONSTITUTES HIS OR HER AGREEMENT TO ABIDE AND BE BOUND BY THE TERMS GOVERNING THESE SERVICES, INCLUDING ANY MODIFICATIONS THERETO WHICH ARE EFFECTIVE UPON POSTING. ALTHOUGH WE INTEND TO TAKE REASONABLE STEPS TO PREVENT THE INTRODUCTION OF VIRUSES AND OTHER DESTRUCTIVE MATERIALS TO THIS SERVICE, WE DO NOT GUARANTEE OR WARRANT THAT THIS SERVICE OR MATERIALS THAT MAY BE DOWNLOADED FROM THIS SERVICE DO NOT CONTAIN SUCH DESTRUCTIVE FEATURES. FURTHER, TO THE EXTENT THIS SERVICE PROVIDES LINKS TO THIRD PARTY WEBSITES OR RESOURCES, ARBONNE IS NOT RESPONSIBLE FOR THE AVAILABILITY OF SUCH THIRD PARTY WEBSITES OR RESOURCES, NOR THE CONTENT OR OTHER MATERIAL FROM SUCH WEBSITES OR RESOURCES. ARBONNE IS NOT LIABLE FOR ANY DAMAGES OR HARM ATTRIBUTABLE TO THE FOREGOING.

ARBONNE MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING ARBONNE INDEPENDENT CONSULTANT REPLICATED WEBSITES, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS OF PURPOSE. YOU SHOULD NOT RELY ON ANY REPRESENTATIONS OR WARRANTIES CONTAINED ON ANY ARBONNE INDEPENDENT CONSULTANT REPLICATED WEBSITE.

THE FINAL SUCCESS OR FAILURE OF ANY ARBONNE INDEPENDENT CONSULTANT DEPENDS UPON HIS OR HER INDIVIDUAL EFFORT. THERE ARE NO GUARANTEES OR PROJECTIONS OF ACTUAL EARNINGS.

ARBONNE SHALL NOT BE RESPONSIBLE FOR DELAYS OR FAILURES IN PERFORMANCE OF ITS OBLIGATIONS WHEN PERFORMANCE IS MADE COMMERCIALY IMPRACTICABLE DUE TO CIRCUMSTANCES BEYOND ITS REASONABLE CONTROL. THIS INCLUDES, WITHOUT LIMITATION, STRIKES, LABOR DIFFICULTIES, RIOT, WAR, FIRE, DEATH, AND CURTAILMENT OF A PARTY'S SOURCE OF SUPPLY, OR GOVERNMENT DECREES OR ORDERS.

### 1.6.2. LIMITED LIABILITY

EXCEPT AS OTHERWISE STATED HEREIN, EACH ARBONNE INDEPENDENT CONSULTANT AGREES THAT ARBONNE, ITS AFFILIATES, AGENTS, ARBONNE INDEPENDENT CONSULTANTS, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS WILL NOT BE LIABLE FOR ANY CLAIM, LOSS, DAMAGES, EXPENSES OR COSTS WHETHER DIRECT OR INDIRECT, INCLUDING CONSEQUENTIAL OR SPECIAL DAMAGES, LOST PROFITS OR OTHERWISE, ARISING OUT OF OR RELATING IN ANY WAY TO THIS AGREEMENT, THE USE OR INABILITY TO USE THIS SERVICE, THE PURCHASE OR USE OF ARBONNE GOODS, SERVICES OR INFORMATION, PARTICIPATION AS AN ARBONNE INDEPENDENT CONSULTANT, OR FROM UNAUTHORIZED ACCESS TO OR ALTERATION OF ANY TRANSMISSIONS OR DATA. EACH ARBONNE INDEPENDENT CONSULTANT HEREBY WAIVES ANY CLAIMS WITH RESPECT THERETO, WHETHER BASED ON CONTRACTUAL, TORT, OR OTHER GROUNDS, EVEN IF ARBONNE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. SOME JURISDICTIONS DO NOT ALLOW FOR LIMITED LIABILITY OR EXCLUSION OF IMPLIED WARRANTIES, SO NOT ALL OF THE ABOVE LIMITATIONS MAY APPLY.

### 1.6.3. INDEMNITY AND HOLD HARMLESS AGREEMENT

IN THE CONDUCT OF AN ARBONNE INDEPENDENT CONSULTANT BUSINESS, EACH ARBONNE INDEPENDENT CONSULTANT AGREES TO REFRAIN FROM ALL CONDUCT THAT MIGHT BE HARMFUL TO THE REPUTATION OF ARBONNE OR ITS PRODUCTS, INCLUDING BUT NOT LIMITED TO, CONDUCT INCONSISTENT WITH THE PUBLIC INTEREST OR CONDUCT THAT IS DECEPTIVE, MISLEADING, UNETHICAL OR IMMORAL. EACH ARBONNE INDEPENDENT CONSULTANT AGREES TO HOLD HARMLESS AND INDEMNIFY ARBONNE, ITS AFFILIATES, AGENTS, ARBONNE INDEPENDENT CONSULTANTS, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS FOR ANY CLAIMS, DAMAGES OR LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS) ARISING OUT OF BUSINESS PRACTICES BY THE ARBONNE INDEPENDENT CONSULTANT, INCLUDING BREACH OF ANY OF ARBONNE'S POLICIES & PROCEDURES OR OTHER AGREEMENTS. EACH ARBONNE INDEPENDENT CONSULTANT ALSO SPECIFICALLY AUTHORIZES ARBONNE TO OFFSET ANY SUCH CLAIMS, COSTS, EXPENSES, DAMAGES OR LIABILITIES AGAINST ANY AND ALL COMMISSIONS PAYABLE TO THE ARBONNE INDEPENDENT CONSULTANT. EACH ARBONNE INDEPENDENT CONSULTANT ALSO AGREES TO INDEMNIFY AND HOLD HARMLESS ARBONNE, ITS AFFILIATES, AGENTS, ARBONNE INDEPENDENT CONSULTANTS, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY AND ALL LIABILITIES, CLAIMS, EXPENSES AND DAMAGES, INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS, ARISING OUT OF OR IN ANY WAY RELATED TO HIS OR HER USE OF THIS SERVICE, PURCHASE, SALE OR INFORMATION REGARDING ARBONNE PRODUCTS, THE ARBONNE OPPORTUNITY, OR IN CONNECTION WITH HIS OR HER ACCOUNT OR ANY OTHER PERSON'S USE OR ACCESS TO THIS SERVICE BY OR THROUGH HIS OR HER ACCOUNT, WITH OR WITHOUT HIS OR HER PERMISSION, INCLUDING WITHOUT LIMITATION ANY CLAIMS OF LIBEL, DEFAMATION, VIOLATION OF RIGHTS OF PRIVACY OR PUBLICITY, TRESPASS, AND INFRINGEMENT OF INTELLECTUAL OR OTHER PROPRIETARY RIGHTS.

## SECTION 2 – ENROLLMENT, BUSINESS STRUCTURES AND TRANSFERS

### 2.1. BECOMING AN ARBONNE INDEPENDENT CONSULTANT

To become an Arbonne Independent Consultant, one must electronically submit a properly completed Independent Consultant Application & Agreement to Arbonne through its website or an Arbonne Independent Consultant replicated website, together with the appropriate Registration Fee. Arbonne reserves the right to reject any new or renewal application. Without limiting Arbonne's rights, an Arbonne Independent Consultant must be 18 years of age or older and may not:

- Be in jail or prison or otherwise confined to a correctional institution;
- Have ever been convicted of, or plead guilty or nolo contendere to, any felony or any misdemeanor that Arbonne determines in its sole discretion involves fraud, dishonesty, or moral turpitude; and
- Be a current employee, officer or director of Arbonne or its affiliated companies or the immediate household member of any of the foregoing.

After the application is accepted and processed by Arbonne, Arbonne will register the person submitting the application as an Arbonne Independent Consultant and provide him or her with a non-transferable Arbonne ID and Starter Kit. Incomplete or rejected Independent Consultant Application(s) & Agreement(s) will not be processed. The Registration Fee is not a service or franchise fee, but is rather to offset costs incurred by Arbonne for educational development costs, business materials and administrative costs. No product or inventory purchase by the Arbonne Independent Consultant is required and there are no other fees or costs, except for an Annual Renewal Fee.

The Agreement will automatically renew at the end of the month that is 12 months following a new Arbonne Independent Consultants' start date, or the Anniversary Month. There is an annual renewal fee plus tax for all Arbonne Independent Consultants. An Arbonne Independent Consultant will be informed of the current renewal fee rate plus tax prior to the renewal fee being charged. If an Arbonne Independent Consultant has a credit card on file with Arbonne, Arbonne will automatically charge this credit card for the renewal fee on the second day of the Arbonne Independent Consultant's Anniversary Month. Any Arbonne Independent Consultant who does not wish to have his or her card automatically charged for the renewal fee may unsubscribe through his or her account on Arbonne's website or by contacting Arbonne's customer service before the second day of his or her Anniversary Month. It is the responsibility of the Arbonne Independent Consultant to track an upcoming renewal date and be prepared for the upcoming renewal fee.

Arbonne Independent Consultants must pay their renewal fee annually and agree to the latest terms in the Agreement. Payment of this fee will constitute an agreement to the terms of the latest Agreement and allow the Arbonne Independent Consultant to remain as an Arbonne Independent Consultant for an additional 12 months, until the next renewal date. Failure to pay the annual renewal fee by an Arbonne Independent Consultant will result in the deactivation of that Arbonne Independent Consultant on the last day of the month following the renewal month. Once an Arbonne Independent Consultant has been deactivated, he or she may reapply under the same Sponsor, or must wait six months before reapplying under any new Sponsor. Arbonne Independent Consultants who pay the renewal fee but who have not met the Personal Qualifying Volume maintenance requirements as set forth in the SuccessPlan will be reclassified to Preferred Client.

### 2.2. FILLING OUT AND SUBMITTING ENROLLMENT APPLICATIONS

No Arbonne Independent Consultant shall present the Arbonne opportunity as anything other than an opportunity available to anyone regardless of race, gender, nationality, sexual orientation or religious or political beliefs to any person. Sponsors are encouraged to assist prospects in filling out an online Independent Consultant Application & Agreement. Sponsors may not sign or submit an online application on behalf of an applicant. The applicant should personally submit the application to Arbonne's website, at which time he or she will be deemed to have accepted the terms of the Agreement.

### 2.3. SOCIAL SECURITY OR TAX ID NUMBER REQUIRED

In order for Arbonne to comply with IRS regulations, it must have a valid Social Security number or Federal Tax ID number to provide the required 1099 reporting. This information is held in strictest confidence and used only to process your request, to comply with governing laws and for protection of each Arbonne Independent Consultant's Arbonne business.

### 2.4. BUSINESS ENTITIES

An Arbonne Independent Consultant may choose to operate through a corporation, limited liability company, partnership or trust (collectively referred to as a "Business Entity") by submitting a properly completed Business Entity Registration Form along with the Independent Consultant Application & Agreement. It is the responsibility of the Business Entity to have its own bylaws or operating agreement to govern the rights and relationship between the Participants (defined below). The following rules apply to all Business Entities:

- The Business Entity must be for the sole purpose of conducting an Arbonne business and may not conduct any other business. This condition precludes Arbonne Independent Consultants from putting an Arbonne business into an existing Business Entity that is used to conduct any other business.
- The Business Entity Registration Form must be signed by all of the shareholders, members, partners, trustees or any person holding an ownership interest or management position in the Business Entity (collectively "Participants"). Participants of the Business Entity are jointly and severally liable for any indebtedness or other obligations to Arbonne.
- One individual must be designated by the Business Entity to receive recognition or to participate in incentive awards on behalf of the Business Entity. This individual shall be designated as the authorized company contact, or the "Contact Person," on the Business Entity Registration Form. The Contact Person is the Participant in the Business Entity who is designated by the Business Entity to receive communications, recognition, and non-divisible forms of remuneration (including but not limited to cash bonuses) from Arbonne. Arbonne may collectively recognize all Participants of a Business Entity for purposes of title or achievement award recognition so long as the Contact Person is present and included.
- An Arbonne Independent Consultant operating his or her business as a sole proprietorship may change the form of his or her business to a partnership, limited liability company, corporation or trust, or from one type of entity to another so long as the original Arbonne Independent Consultant remains the Contact Person for the Business Entity.
- The conduct of any Participant is imputed to the Business Entity as a whole. Therefore, if any one Participant violates the Agreement, the misconduct of that Participant shall be imputed to the Arbonne Business.

## 2.5. DISSOLUTION OF BUSINESS ENTITIES

### 2.5.1. GENERAL POLICY

In preparing to dissolve a Business Entity, arrangements must be made to assure that any distribution or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties engage in a dispute over the disposition of the business, or fail to provide for the best interests of other Arbonne Independent Consultants and/or Arbonne, Arbonne may, in its sole discretion, terminate the Independent Consultant Agreement and pop-up their entire organization pursuant to Policy 2.11.

### 2.5.2. PROCEDURES DURING DISSOLUTION

While preparing to dissolve a Business Entity, and during the dissolution process, business must be conducted as follows:

- The Contact Person may, with consent of the Participant(s), operate the Arbonne business pursuant to an assignment in writing whereby the relinquishing Participants authorize Arbonne to deal directly and solely with the Contact Person. All commissions, recognition, car bonuses and other remuneration and rewards will be issued in the name of the Contact Person.
- The Participants may continue to operate the Arbonne business jointly on a “business-as-usual” basis, whereupon all compensation paid by Arbonne will be paid according to the status quo as it existed prior to the dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.
- Under no circumstances will the SuccessLine organization of a dissolving Business Entity be divided. Similarly, under no circumstances will Arbonne split commission or bonus checks between Participants in dissolving entities. Remuneration shall always be issued to the same individual or entity.
- The former Participants of a Business Entity that relinquished its interest in the Arbonne business must wait six (6) calendar months before they are permitted to again become Arbonne Independent Consultants. Such Participants may register and purchase Arbonne products as a Client or Preferred Client during this six-month period.

## 2.6. CHANGES TO AN ARBONNE BUSINESS

### 2.6.1. SPONSOR

To protect the integrity of all SuccessLine organizations and safeguard the hard work of all Arbonne Independent Consultants, Arbonne does not permit the transfer of an Arbonne business from one Sponsor to another. Maintaining the integrity of sponsorship is critical for the success of every Arbonne Independent Consultant and SuccessLine organization.

### 2.6.2. CANCELLATION AND RE-APPLICATION

An Arbonne Independent Consultant may legitimately change organizations by voluntarily canceling his or her Arbonne business and remaining inactive (i.e., no purchases of Arbonne products, no sales of Arbonne products, no recruiting or sponsoring, and no participation in any other form of Arbonne Independent Consultant activity or operation of any other Arbonne business) for six (6) full calendar months. Any spouse or immediate household member of the former Arbonne Independent Consultant must also remain inactive during this six-month period as required by Policy 3.13. Following

the six-month period of inactivity, the former Arbonne Independent Consultant may reapply under a new Sponsor as an Arbonne Independent Consultant. Any purchases of Arbonne products as a Client or Preferred Client will not be deemed activity for purposes of determining if a former Arbonne Independent Consultant has remained inactive.

New Arbonne Independent Consultants may cancel their Agreement within three (3) days from the date on which the original application is submitted to Arbonne and re-enroll under a different Sponsor of their choice by submitting a written cancellation notice to Arbonne.

### 2.6.3. MONTANA AND ALASKA RESIDENTS

A Montana resident may cancel his or her Independent Consultant Agreement within 15 days from the date of enrollment, and may return his or her Starter Kit for a full refund within such time period. An Alaska resident may cancel his or her Independent Consultant Agreement within five (5) days from the date of enrollment, and may return his or her Starter Kit for a full refund within such time period.

## 2.7. CROSSLINE SWITCHING

Actual or attempted “Crossline Switching” is strictly prohibited. Crossline Switching includes:

- 2.7.1. The enrollment of an individual or entity as an Arbonne Independent Consultant who is an active Arbonne Independent Consultant in another line of sponsorship;
- 2.7.2. The enrollment of the spouse or other immediate household member of an active Arbonne Independent Consultant as an Arbonne Independent Consultant under any Sponsor other than as permitted under Policy 2.10;
- 2.7.3. The enrollment of any Business Entity as an Arbonne Independent Consultant which is owned in whole or in part by an active Arbonne Independent Consultant, the spouse, or other immediate household member of an active Arbonne Independent Consultant, in another line of sponsorship;
- 2.7.4. The enrollment as an Arbonne Independent Consultant of a Participant, or the spouse of a Participant, in a Business Entity that owns or operates an Arbonne business; or
- 2.7.5. Any artifice or mechanism that has the design or effect of allowing an active Arbonne Independent Consultant, an immediate household family member of an active Arbonne Independent Consultant, or a Participant in a Business Entity that is an active Arbonne Independent Consultant, to enroll in any position in any SuccessLine, other than in his or her original SuccessLine, except as permitted pursuant to Policies 2.6.1 and/or 2.6.2.
- 2.7.6. An active Arbonne Independent Consultant is: (a) any individual or Business Entity whose Arbonne Independent Consultant Application or Renewal has been accepted by Arbonne within the preceding six (6) calendar months, or (b) an individual or Business Entity that has an Arbonne Independent Consultant Application and Agreement on file and has sponsored an Arbonne Independent Consultant or registered a Preferred Client, or has placed an order for products or promotional materials as an Arbonne Independent Consultant within the preceding six (6) calendar months. Any purchases of Arbonne products as a Client or Preferred Client will not be deemed activity for purposes of determining if a former Arbonne Independent Consultant has remained inactive for 6 calendar months.

If Crossline Switching is discovered, it must be brought to Arbonne's attention immediately. Arbonne may take disciplinary action against the Arbonne Independent Consultant who switched organizations and/or those Arbonne Independent Consultants who encouraged or

participated in the Crossline Switching. Arbonne also may move the offending Arbonne Independent Consultant and/or all or part of the offending Arbonne Independent Consultant's downline back to his or her original line of sponsorship if the Company, in its sole discretion, deems it equitable and feasible to do so. However, Arbonne is under no obligation to move an offending Arbonne Independent Consultant and/or any or all of the offending Arbonne Independent Consultant's downline organization, and the ultimate disposition of the offending Arbonne Independent Consultant and his or her organization remains within the sole discretion of Arbonne. Because the facts surrounding Crossline Switching cases vary dramatically, each situation will be handled on a case-by-case basis. The registration of a Preferred Client with another SuccessLine organization will not be deemed to be Crossline Switching. However, any Arbonne Independent Consultant who registers a Preferred Client known by the Arbonne Independent Consultant to have an existing Preferred Client or Arbonne Independent Consultant account with another SuccessLine organization must adhere to the policies in this Agreement, including the Code of Ethics, when registering the Preferred Client. Arbonne Independent Consultants who encouraged or participated in any recruiting of Preferred Clients in violation of the Agreement may be subject to disciplinary action by Arbonne. Arbonne Independent Consultants waive all claims and causes of action against Arbonne, its officers, directors, employees, shareholders and agents that arise from or relate to the disposition of a Crossline Switched Arbonne Independent Consultant and/or his or her SuccessLine organization.

## **2.8. SALE, TRANSFER, OR ASSIGNMENT OF AN ARBONNE BUSINESS**

Each Arbonne Independent Consultant's business relationship to Arbonne is a personal relationship. To ensure that this personal relationship remains intact, Arbonne Independent Consultants may not sell, assign or otherwise transfer an Arbonne business to any third party other than pursuant to Arbonne's Succession Policy.

## **2.9. SUCCESSION — INHERITANCE OR INCAPACITATION**

Upon death or legally adjudicated incapacitation of an Arbonne Independent Consultant who holds the paid-as rank of Area Manager or above at the time of his or her death or legally adjudicated incapacitation, such Arbonne Independent Consultant's interest in his or her Arbonne business and SuccessLine may be passed to the Arbonne Independent Consultant's heir, trustee or other beneficiary as applicable, provided in the sole judgment and discretion of Arbonne that the Arbonne business, other Arbonne Independent Consultants in the applicable upline or Arbonne would not in any way be adversely affected by such transfer. If Arbonne determines in its sole judgment and discretion that (i) such disposition of an Arbonne business will adversely affect the Arbonne business, other Arbonne Independent Consultants or Arbonne, (ii) the heir, trustee or other beneficiary does not meet the eligibility requirements to register as an Arbonne Independent Consultant under Section 2.1, or (iii) the heir, trustee or other beneficiary is in violation of the Agreement, Arbonne may in its sole discretion terminate the applicable Arbonne Agreement and Arbonne ID, or require the designation of alternative heirs, trustees or other beneficiaries satisfactory to Arbonne.

Appropriate legal documentation must be submitted to Arbonne in connection with any transfer of an Arbonne business by an Arbonne Independent Consultant who holds the paid-as rank of Area Manager or above at the time of his or her death or legally adjudicated incapacitation. Accordingly, Arbonne encourages each Arbonne Independent Consultant to consult an attorney to prepare a will, trust or other testamentary instrument, and to include alternative heirs or beneficiaries in the event that a primary beneficiary does not meet Arbonne's expectations or standards.

Upon approval by Arbonne, whenever an Arbonne business is transferred by a will or other testamentary process, the beneficiary will acquire the right to collect all bonuses, commissions and overrides of the deceased Arbonne Independent Consultant's SuccessLine organization, subject to Arbonne's then applicable policies, and will otherwise assume all the rights and obligations of the deceased Arbonne Independent Consultant under the Agreement, and provided the following qualifications are met. The beneficiary must:

- execute and submit a new and up-to-date Independent Consultant Application & Agreement and otherwise meet all the eligibility requirements to become an Arbonne Independent Consultant;
- comply with and agree to be bound by the terms and provisions of the Agreement; and
- meet all of the qualifications for the deceased Arbonne Independent Consultant's rank and title.
- Subject to the provisions set forth above, to effectuate a testamentary transfer of an Arbonne business upon the death of an Arbonne Independent Consultant who holds the paid-as rank of Area Manager or above at the time of his or her death, the successor/beneficiary must provide the following to Arbonne:
- a copy of the Arbonne Independent Consultant's original death certificate;
- a notarized copy of the valid will or other testamentary instrument establishing the successor's/beneficiary's right to the Arbonne business; and
- a completed and properly executed Arbonne Independent Consultant Application & Agreement executed by the successor/beneficiary.

Subject to the provisions set forth above, to effectuate the transfer of an Arbonne business to a trustee upon the legally adjudicated incapacitation of an Arbonne Independent Consultant who holds the paid-as rank of Area Manager or above at the time of his or her legally adjudicated incapacitation, the trustee must provide the following to Arbonne:

- a notarized copy of the Court order rendering the Arbonne Independent Consultant incapacitated and the appointment of a trustee to manage his or her affairs;
- a notarized copy of the valid trust document or other documents establishing the trustee's unqualified right to administer the Arbonne business; and
- a completed and properly executed Arbonne Independent Consultant Application & Agreement executed by the trustee.

Commission checks or deposits, as applicable, of an Arbonne business transferred pursuant to this Section will be paid in a single check or deposit, as applicable, to the new Arbonne Independent Consultant. An Arbonne business is reliant on the leadership ability of the individual Arbonne Independent Consultant. Therefore, if the Arbonne business is bequeathed to joint devisees, they must form a Business Entity, identify the person responsible for the Business Entity's operation, acquire a federal taxpayer identification number that is supplied to Arbonne, and otherwise comply with all the requirements for such Business Entity set forth in the Agreement. Arbonne will issue all bonus and commission checks and one Form 1099 to the Business Entity.

As described in Section 2.10, if any devisee is an active Arbonne Independent Consultant, he or she must choose whether to participate in his or her original Arbonne business, or the Arbonne business inherited/transferred pursuant to this Section. He or she may not operate or directly benefit from both the existing and inherited/transferred businesses.

In cases of extreme hardship, Arbonne may, at its sole judgment and discretion, allow an Arbonne Independent Consultant's business that is below the rank of Area Manager to be devised to his or her heirs.



## **2.10. ONE BUSINESS PER ARBONNE INDEPENDENT CONSULTANT**

Arbonne Independent Consultants may have an interest in only one Arbonne business. There may be two or more Arbonne independent businesses per Immediate Household (defined below) so long as the following criteria are satisfied:

- The other business(es) in the Immediate Household (the “Junior Business”) must be placed on the front line of the first business (the “Senior business”) in the Immediate Household;
- No one under the age of 18 may be an Arbonne Independent Consultant or otherwise conduct an Arbonne business; and
- The Junior Business(es) must be a bona fide independent business that is operated by the person listed on the Arbonne Independent Consultant Application & Agreement and not by the owner of the Senior Business.

An Immediate Household includes spouses, cohabitating couples, children under the age of 18, and relatives residing in the same dwelling. Also included in the definition are students attending boarding school or college that reside at school or college during the school year, but within the dwelling of their parents or other relatives during non-school periods. Persons such as roommates and tenants who are unrelated shall not fall within the definition of an Immediate Household and may each have their own Arbonne independent business.

## **2.11. POP-UP OF SUCCESSLINE ORGANIZATION**

When a vacancy occurs in a SuccessLine due to the nonrenewal, reclassification to Preferred Client or Client, the resignation or termination of an Arbonne business, each Arbonne Independent Consultant in the front line immediately below the terminated Arbonne Independent Consultant on the date of the cancellation will be moved to the front line of the Arbonne Independent Consultant immediately upline of the terminated Arbonne Independent Consultant. For example, if A sponsors B, and B sponsors C1, C2, and C3, if B terminates her business, C1, C2, and C3 will “pop up” to A and become part of A’s first level.

## **2.12. DIVORCE ACTIONS**

In divorce cases, Arbonne shall treat the spouse whose name is on the Independent Consultant Application & Agreement as the owner of the business. Under no circumstances will Arbonne divide commissions, bonuses, recognition or other rewards, nor will Arbonne divide a SuccessLine organization between spouses. Upon the entry of a final divorce decree, the former spouse may apply as an Arbonne Independent Consultant under any line of sponsorship, and need not comply with the six (6) calendar month inactivity requirement before reapplying.

## **2.13. REQUESTS FOR RECORDS**

Any request from an Arbonne Independent Consultant for copies of invoices, applications, downline activity reports, or other records will require a fee of \$1 per page, per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

# **SECTION 3 – OPERATING YOUR ARBONNE BUSINESS**

## **3.1. OPERATING YOUR BUSINESS WITH INTEGRITY AND IN COMPLIANCE WITH LAW**

Each Arbonne Independent Consultant agrees to utilize his or her best efforts to represent and sell Arbonne products and present the Arbonne opportunity with the highest degree of professionalism, integrity, ethics and accuracy. Arbonne Independent Consultants shall safeguard and promote the good reputation of Arbonne. Arbonne Independent Consultants shall at all times conduct their Arbonne business in a manner that reflects favorably on the Arbonne products and the good name,

goodwill and reputation of Arbonne. Arbonne Independent Consultants shall not engage in deceptive, misleading, or unethical conduct or practices that are or might be detrimental to Arbonne, the Arbonne products, or the public, including, without limitation, disparagement of Arbonne or Arbonne products (as discussed in more detail below). Arbonne Independent Consultants shall comply with all laws, rules, regulations and governmental requirements applicable to the operation of their Arbonne business and performance under this Agreement, including the marketing, promotion and sale of Arbonne products. Arbonne Independent Consultants shall not participate in any activity which is illegal, or in any way may be deemed detrimental to the Arbonne name, product, opportunity, business, corporate entity or the organization of an Arbonne Independent Consultant.

## **3.2. SPONSORS’ OBLIGATIONS**

It is in the best interest of any Arbonne Independent Consultant who sponsors another Arbonne Independent Consultant into Arbonne to consider the benefits of assistance and training to ensure that his or her SuccessLine has the maximum opportunity to develop an Arbonne business.

### **3.2.1. SUPPORT**

Arbonne Independent Consultants are encouraged to have ongoing contact and communication with the Arbonne Independent Consultants in their downline organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voicemail, email, text messages, instant messaging, video chat, social media chat applications, or conferencing, and the accompaniment of downline Arbonne Independent Consultants to Arbonne meetings, training sessions and other functions.

### **3.2.2. TRAINING**

Upline Arbonne Independent Consultants are also encouraged to motivate and train new Arbonne Independent Consultants in Arbonne product knowledge, effective sales techniques, the Arbonne SuccessPlan, and compliance with Arbonne’s Policies & Procedures. Communication with and the training of downline Arbonne Independent Consultants must not, however, violate the policy regarding the development of “Field Training Materials” as defined and described in Policies 3.3.6 and 3.3.7.

### **3.2.3. INDEPENDENT CONSULTANT TRAINING EVENTS AND MATERIALS**

As Arbonne Independent Consultants progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge and understanding of the Arbonne program. They will be called upon to share this knowledge with lesser-experienced Arbonne Independent Consultants within their organization. Arbonne Independent Consultants may not charge other Arbonne Independent Consultants for training or require the purchase of any sales tools or materials or require attendance at meetings. If an Arbonne Independent Consultant elects to rent a meeting room to conduct a training seminar, either in person or virtual, he or she may charge a reasonable attendance fee to cover the expenses associated with renting a meeting room, modest refreshments, and other hard-costs directly associated with the event. Arbonne Independent Consultant sponsored training events must not be operated on a for-profit basis.

### **3.2.4. TRAINING ON POLICIES**

It is the responsibility of every Arbonne Independent Consultant to read, understand, adhere to and ensure that he or she is aware of and operating under the most current version of these Policies & Procedures. When sponsoring or enrolling a new Arbonne Independent Consultant, it is the responsibility of the sponsoring Arbonne Independent Consultant to

ensure that the applicant is provided with, or has online access to, the most current version of the Agreement, including without limitation these Policies & Procedures and the Arbonne SuccessPlan, prior to his or her execution of the Independent Consultant Application & Agreement.

### 3.3. ADVERTISING

#### 3.3.1. INDEMNIFICATION

Every Arbonne Independent Consultant is fully responsible for all of his or her verbal and written statements made regarding Arbonne's products, services and the SuccessPlan that are not expressly contained in Tools (as defined below in Policy 3.3.6) produced and distributed by Arbonne. Every Arbonne Independent Consultant agrees to indemnify Arbonne and Arbonne's directors, officers, employees and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorneys' fees, court costs or lost business incurred by Arbonne as a result of the Arbonne Independent Consultant's unauthorized representations or actions regarding Arbonne. This provision shall survive the termination or expiration of the Independent Consultant Agreement.

#### 3.3.2. NO GOVERNMENTAL ENDORSEMENT

Arbonne Independent Consultants shall not represent or imply that Arbonne or its SuccessPlan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

#### 3.3.3. GENERAL ADVERTISING POLICIES

Arbonne Independent Consultants may engage in local advertising in compliance with these policies. Any ad, whether in print, online, radio or television, must be accurate, professional and not misleading or deceptive in any way. Arbonne Independent Consultants are prohibited from advertising or promoting Arbonne's products, services or business opportunity through the use of mass communication methods such as national and international advertising, including through radio, television, facsimile services, classified ads and ads placed in coupon magazines or online (except as permitted by Section 4: Internet and Social Media Policies).

An Arbonne Independent Consultant may only advertise or promote his or her Arbonne business using advertisements that have been submitted to and approved by the Business Ethics Standards Team or that use ad templates or images acquired from Arbonne. No further approval is necessary to use the ad templates created and provided by Arbonne so long as they are used by the Arbonne Independent Consultant in compliance with these Policies & Procedures. An Arbonne Independent Consultant must obtain prior written approval from the Business Ethics Standards Team for all advertisements relating to his or her Arbonne business that do not utilize the Arbonne created and provided ad templates. Arbonne Independent Consultants may submit requests to the Business Ethics Standards Team via our online contact form available at the Contact Us section of Arbonne's website. If an ad includes contact information, the person identified in the ad must also identify himself or herself as an Arbonne Independent Consultant so that there will be no confusion that he or she represents him or herself and not the official corporate office. Ads may not feature specific products on sale for discounted prices or blanket discount promotions unless such ads feature an Arbonne provided promotion. Any request for approval of advertising materials that does not receive specific written approval from the Business Ethics Standards Team shall be deemed denied. No one is authorized to revise, edit or otherwise alter any ad templates provided by Arbonne or any Arbonne Independent Consultant advertising materials that have been approved by Arbonne.

Because Arbonne periodically reviews and revises its Policies & Procedures, Arbonne reserves the right to rescind any previous authorization that was given in connection with advertising materials or practices, consistent with Arbonne's current Policies & Procedures. Upon notice of such rescission, each Arbonne Independent Consultant agrees to immediately cease using such advertising materials and/or practices.

#### 3.3.4. USE OF THE ARBONNE NAME, TRADEMARKS, SERVICE MARKS AND LOGOS

The name Arbonne is a registered trademark, is of great value to Arbonne, and is licensed to Arbonne Independent Consultants for use only in an authorized manner. To that end, the Arbonne name and Arbonne's other various trademarks, service marks and logos have been registered or have pending applications for registration in multiple international jurisdictions. No one may use or apply the Arbonne name or any of Arbonne's other various trademarks, service marks or logos on or in connection with any item, product, service, tool or other material not produced or authorized in writing by Arbonne. If an Arbonne Independent Consultant wishes to use an Arbonne logo or trademark consistent with brand and trademark usage guidelines made available by Arbonne to its Independent Consultants, he or she must only use the Arbonne Independent Consultant versions of Arbonne's logos created by Arbonne and authorized for Arbonne Independent Consultant use, which can be found online at [arbonne.com](http://arbonne.com).



Arbonne Independent Consultants may use the Arbonne name to identify themselves as an Arbonne Independent Consultant in the following manner:

Arbonne Independent Consultant's Name  
Arbonne Independent Consultant, Title with Arbonne (if applicable)

Example:  
Jane Smith  
Arbonne Independent Consultant, District Manager

#### 3.3.5. STATIONERY AND BUSINESS CARDS

Arbonne Independent Consultants may only order company approved business cards and stationery, which are produced by an Arbonne approved third-party vendor, online through the Arbonne Boutique, which can be accessed through [arbonne.com](http://arbonne.com).

#### 3.3.6. PROMOTIONAL TOOLS AND SALES AIDS

Arbonne Independent Consultants are not required to purchase any promotional, marketing or advertising materials, tools, presentations, sales aids, audio or video recordings or services and the like ("Tools") to advance, become, or remain an Arbonne Independent Consultant, nor are they required to carry inventory of products or Tools for new Arbonne Independent Consultants.

All Tools used by each Arbonne Independent Consultant in his or her business of selling Arbonne products or promoting sponsorship into the Arbonne family must be produced and distributed by Arbonne. This includes printed materials, Internet and other electronic or

computer generated media, websites, promotional pieces, product descriptions, photographs, sound recordings, video recordings, CDs or DVDs, streaming or downloadable content. All official Arbonne Tools are copyrighted and may not be reproduced, in whole or in part, by Arbonne Independent Consultants or any other person. No one is authorized to revise, edit or otherwise alter any Arbonne Tools. All Tools produced and distributed by Arbonne must be used only for their intended use.

Arbonne Independent Consultants may develop, use and provide to their SuccessLine, at no charge, their own training to support and provide guidance on how to use Arbonne Tools, or "Field Training Materials," so long as such Field Training Materials do not violate any Arbonne Policies & Procedures, laws, regulations, or statutes and conform with Policy 3.3.7 below. Arbonne Independent Consultants may not sell any Arbonne produced Tools or Arbonne Independent Consultant produced Field Training Materials to other Arbonne Independent Consultants, or accept donations or gratuities in exchange for providing training and/or Field Training Materials.

Arbonne Independent Consultants may not develop, produce or distribute Tools or Field Training Materials that are confusingly similar in nature to those produced, published and provided by Arbonne, and may not imply or suggest that such Tools or Field Training Materials originate from Arbonne or are endorsed by Arbonne. Only Tools produced by Arbonne are permitted to carry the Arbonne Official Seal.



The Arbonne Official Seal

Because Arbonne periodically reviews and revises its Policies & Procedures, Arbonne reserves the right to rescind any previous authorization that was given in connection with Arbonne Independent Consultant produced Tools, Field Training Materials, promotional materials, or other practices, consistent with Arbonne's current Policies & Procedures. Upon notice of such rescission, each Arbonne Independent Consultant agrees to immediately cease using such Tools, Field Training Materials, promotional materials or practices.

### 3.3.7. REQUIRED DISCLAIMER ON ARBONNE INDEPENDENT CONSULTANT PRODUCED FIELD TRAINING MATERIALS OR ADVERTISEMENTS

The following disclaimer must CONSPICUOUSLY appear on all Field Training Materials or advertisements:

THIS FIELD TRAINING MATERIAL (OR ADVERTISEMENT) HAS BEEN PRODUCED BY <NAME OF INDEPENDENT CONSULTANT>, AN ARBONNE INDEPENDENT CONSULTANT, AND IS NOT OFFICIAL MATERIAL PREPARED OR PROVIDED BY ARBONNE. ARBONNE MAKES NO PROMISES OR GUARANTEES THAT ANY INDEPENDENT CONSULTANT WILL BE FINANCIALLY SUCCESSFUL AS EACH INDEPENDENT CONSULTANT'S RESULTS ARE DEPENDENT ON HIS OR HER OWN SKILL AND EFFORT.

ACTUAL FINANCIAL RESULTS OF ALL ARBONNE INDEPENDENT CONSULTANTS FOR THE PRECEDING YEAR ARE CONTAINED IN ARBONNE'S INDEPENDENT CONSULTANT COMPENSATION SUMMARY, WHICH IS INCLUDED WITH THESE MATERIALS. YOU MAY ALSO VIEW THE INDEPENDENT CONSULTANT COMPENSATION SUMMARY ON ARBONNE'S OFFICIAL WEBSITE AT Arbonne.com.

### 3.3.8. AUDIO AND VIDEO RECORDINGS

Arbonne Independent Consultants are prohibited from making audio or video recordings of speeches, discussions or presentations made by any Arbonne company officer, authorized agent, representative or employee, unless specifically authorized in writing by an Arbonne officer. Any use or publication of such audio or video recordings (including by any electronic means) must be separately and specifically authorized by an Arbonne officer. Any such unauthorized audio or video recording shall be the property of Arbonne and shall be delivered to Arbonne upon demand with all copies destroyed at the Arbonne Independent Consultant's expense.

### 3.3.9. MEDICAL CLAIMS AND PRODUCT TESTIMONIALS

Arbonne Independent Consultants must not make any claims about any Arbonne products, either orally or in print, other than those presented in official Arbonne Tools. Arbonne Independent Consultants must not make any oral or written medical, therapeutic or curative claims (which include personal testimonials) about any Arbonne products. Arbonne Independent Consultants may not make any claim that Arbonne products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only are such claims violative of Arbonne policies, but they potentially violate the law. If a Client is under a physician's care for current medical treatment, Arbonne Independent Consultants are advised to recommend the Client seek the advice of their physician before undertaking any changes in diet.

### 3.3.10. INCOME REPRESENTATIONS

The financial success of an Arbonne Independent Consultant depends entirely upon that Arbonne Independent Consultant's individual effort, dedication and the training and supervision the Arbonne Independent Consultant provides to his or her SuccessLine and Arbonne business. Arbonne Independent Consultants shall not make claims or representations of potential or guaranteed income or profits in connection with an Arbonne business. Any amounts earned through an Arbonne business are based only on the sale of Arbonne products and not on the mere act of sponsoring other Arbonne Independent Consultants.

Arbonne publishes on an annual basis an Independent Consultant Compensation Summary. That Summary provides information on the average overrides and bonuses that are paid to active Arbonne Independent Consultants. The Summary is available online at [arbonne.com](http://arbonne.com) and The Source.

The Federal Trade Commission and several states have laws and/or regulations that prohibit certain types of income claims and testimonials by persons engaging in direct selling or network marketing. Therefore, Arbonne Independent Consultants may not make any projections, claims or estimates regarding such other Arbonne Independent Consultants' potential or guaranteed income from an Arbonne business. Hypothetical income examples that are used to explain the operation of the SuccessPlan, which are based solely on mathematical projections and compliant with this provision, may be presented to potential recruits, so long as Arbonne Independent Consultants who use such hypothetical examples make clear to the prospects that such earnings are hypothetical and presents a copy of Arbonne's Independent Consultant Compensation Summary and the disclaimer set forth below. Arbonne Independent Consultants may disclose to potential recruits their actual earnings, prizes or results, but only if all of the following requirements are satisfied: (1) they have documentation available to verify their income claims; (2) they provide a copy of the latest Independent Consultant

Compensation Summary in conjunction with any income representation; and (3) they fully and accurately disclose their business expenses incurred in achieving the income, prize or result as such expenses are claimed on their federal income tax return.

In addition, Arbonne Independent Consultants must make the following disclaimer in conjunction with any earnings claims:

THERE ARE NO GUARANTEES REGARDING INCOME, AND THE SUCCESS OR FAILURE OF EACH ARBONNE INDEPENDENT CONSULTANT, LIKE ANY OTHER BUSINESS, DEPENDS ON EACH ARBONNE INDEPENDENT CONSULTANT'S OWN SKILLS AND PERSONAL EFFORT. YOU SHOULD NOT RELY ON THE RESULTS OF OTHER ARBONNE INDEPENDENT CONSULTANTS AS AN INDICATION OF WHAT YOU SHOULD EXPECT TO EARN.

"Lifestyle" claims (e.g., "My Arbonne business has allowed my spouse to be a full-time homemaker"; "My Arbonne commissions have allowed me to fulfill my dreams"; "My income from Arbonne exceeded the income from my previous job after only \_\_\_ months"), are considered to be equivalent to income claims. Similarly, hypothetical income charts that are used to illustrate the commission structure are also considered to be analogous to income claims. Accordingly, the Income Disclaimer referenced above and a copy of Arbonne's Independent Consultant Compensation Summary should be provided whenever Lifestyle claims are made by Arbonne Independent Consultants in the Field.

#### 3.3.11. PRINT OR ONLINE DIRECTORY LISTINGS

Only Arbonne Independent Consultants may place print or online directory listings referring to Arbonne, by listing their name, Arbonne Independent Consultant, title, phone number, website address, and/or email address in the directory. Such listings must be accompanied by the words "Arbonne Independent Consultant" and may only use the Arbonne Independent Consultant logo.

#### 3.3.12. ELECTRONIC COMMUNICATIONS

An Arbonne Independent Consultant may not have voicemail, answer his or her telephone, or send an email or text communication in a manner that would lead the caller or reader to believe that he or she has reached any official corporate office of Arbonne. When using the Arbonne name, Arbonne Independent Consultants must say or write "Arbonne Independent Consultant."

### 3.4. RIGHT OF PUBLICITY AUTHORIZED

Each Arbonne Independent Consultant authorizes Arbonne to use his or her name, photo, personal story, in print, audio, video and other media, including digital marketing, to promote Arbonne's products or the Arbonne opportunity. Arbonne Independent Consultants waive all claims to remuneration for such use.

### 3.5. MEDIA INQUIRIES

Arbonne Independent Consultants should refer any inquiries by the media or press (including blogs and online news sites/forums) immediately to Arbonne's corporate offices at [communications@arbonne.com](mailto:communications@arbonne.com) and should refer any member of the media to Arbonne's public website for contact information. To preserve a consistent public image for the benefit of Arbonne and all Arbonne Independent Consultants, Arbonne Independent Consultants are not permitted to speak to the media on behalf of Arbonne or represent to the media that they are authorized to speak on behalf of Arbonne. If an Arbonne Independent Consultant responds to such inquiry or contact, Arbonne may consider him or her to be in breach of the Agreement and Arbonne may enforce its rights under the Agreement against such Arbonne Independent Consultant. Additionally, Arbonne Independent Consultants shall not proactively contact the media or any celebrity or distribute any form of press release that includes information

about Arbonne, its products or the Arbonne opportunity on behalf of Arbonne without prior written approval from Arbonne. If an Arbonne Independent Consultant has a contact that he or she thinks would benefit Arbonne, he or she may share it with Arbonne at [communications@arbonne.com](mailto:communications@arbonne.com).

### 3.6. USE OF IDEA SUBMISSIONS AUTHORIZED

Arbonne shall have the right to use any ideas, suggestions, photos, images, written material, videos or testimonials submitted to Arbonne by an Arbonne Independent Consultant in any manner that Arbonne deems appropriate, in any media including print, online, or any other means. This includes without limitation submissions for purposes of entering a contest or incentive sponsored by Arbonne, participation in a request for feedback or product test, and unsolicited or solicited material. Any submissions, including any quotes, testimonials, stories, conversations on social networking media and/or the [arbonne.com](http://arbonne.com) forum or blog, become the property of Arbonne upon submission. Each Arbonne Independent Consultant waives all claims for any compensation whatsoever in the event Arbonne elects to use any submissions.

An Arbonne Independent Consultant may only submit ideas and/or material to Arbonne if he or she has obtained appropriate copyright and other permission to submit such materials, and permits Arbonne to use such material without restriction. Each Arbonne Independent Consultant agrees that he or she will not violate or infringe upon the rights of third parties, including privacy, publicity, and intellectual and proprietary rights, such as copyright or trademark rights.

### 3.7. TARGETING REPRESENTATIVES OF OTHER DIRECT SALES COMPANIES PROHIBITED

It is against Arbonne policy to specifically and consciously target members of the sales force of another direct sales company to sell or work for Arbonne. Arbonne will not pay for the legal or defense costs, or agree to indemnify any Arbonne Independent Consultant who violates this policy. Also, if you encourage a prospect to breach or violate any agreement to which he or she is a party, you bear the risk of involvement in litigation. Arbonne will not pay any of your defense costs or legal fees, nor will Arbonne indemnify you if you are held liable.

### 3.8. CONFLICTS OF INTEREST

Arbonne Independent Consultants are free to participate in other business ventures or marketing opportunities except as set forth below.

#### 3.8.1. OTHER SELLING ACTIVITIES

Arbonne Independent Consultants may engage in other business ventures, including selling activities related to non-Arbonne products, services or business opportunities if they desire to do so, but they may not take advantage of their knowledge of, or association with, other Arbonne Independent Consultants whom they did not personally sponsor in order to promote or sell such non-Arbonne products, services or opportunities. In addition, Arbonne Independent Consultants shall not offer any non-Arbonne products, services, incentives, opportunities or business plans in conjunction with Arbonne's products or business plan or at any Arbonne conference call, meeting, seminar, launch, convention or other Arbonne function.

#### 3.8.2. CROSS-COMPANY RECRUITING AND ENTICEMENT

During the term of an Arbonne Independent Consultant's Agreement and all renewals thereof, and for a period of one year after termination, cancellation or expiration of the Arbonne Independent Consultant's Agreement for any reason, each Arbonne Independent Consultant shall not:

- Recruit (see definition of "Recruit" in Section 11) any Arbonne Independent Consultant whom he or she did not personally

sponsor to (a) join or participate in another direct selling, social selling, multilevel or network marketing (collectively “direct selling”) company, or (b) sell or promote products, services or business opportunities from another direct selling company; or

- Encourage or attempt to influence or induce an Arbonne Independent Consultant to cancel or alter his or her relationship with Arbonne.

Such conduct constitutes an unwarranted and unreasonable interference with the business of other Arbonne Independent Consultants and Arbonne.

In addition, if an Arbonne Independent Consultant appears in, is referenced in, or allows his or her name or likeness to be featured or referenced in any promotional, recruiting or solicitation materials in any medium or method of distribution for another direct selling company during the term of the Arbonne Independent Consultant's Agreement and all renewals thereof, this shall constitute Recruiting for purposes of this Section 3.8.2.

Further, if Arbonne determines that an Arbonne Independent Consultant with a rank of Regional Vice President or above is participating in any program, product, service or business opportunity of a direct selling company in the same generic product or service categories as offered by Arbonne, regardless of cost differences, quality or other distinguishing factors, then Arbonne may immediately revoke the rank of such Arbonne Independent Consultant and reclassify him or her to the rank of Independent Consultant.

Arbonne Independent Consultants who violate this Conflict of Interest policy, including but not limited to any Regional Vice President or above who is reclassified to the Independent Consultant rank as described above, may also be subject to the disciplinary sanctions set forth in Sections 3.10 and 9.3.

*The provisions of this Section 3.8 shall survive the termination, cancellation or expiration of the Agreement.*

### **3.9. CONFIDENTIAL INFORMATION**

All Arbonne Independent Consultant genealogical, SuccessLine, downline or group lists or business reports (collectively “SuccessLine Activity Reports”) are confidential, proprietary information of Arbonne, and constitute a business trade secret belonging to Arbonne. SuccessLine Activity Reports contain critical data relating to the identities of Arbonne Independent Consultants, Clients, sales information and sponsoring activity of each Arbonne Independent Consultant's SuccessLine. They are provided to Arbonne Independent Consultants by Arbonne in strictest confidence and are made available to Arbonne Independent Consultants for the sole purpose of supporting their Clients and the Arbonne Independent Consultants in their SuccessLine organization to further develop their Arbonne business. Arbonne Independent Consultants agree to allow such personal information to be included in the SuccessLine Activity Reports provided to their upline. Arbonne Independent Consultants should use their SuccessLine Activity Reports to manage, motivate and train their SuccessLine Arbonne Independent Consultants. Every Arbonne Independent Consultant who is provided such information must treat it as confidential and take care to maintain its secrecy and refrain from making any use thereof for any purpose other than the management of his or her SuccessLine. As a result of holding the position of an Arbonne Independent Consultant, each Arbonne Independent Consultant will have access to confidential information that he or she acknowledges to be proprietary, highly sensitive and valuable to Arbonne's business, which information is being made available to the Arbonne Independent Consultant solely and exclusively for purposes of furthering the sale of Arbonne products and prospecting, training and sponsoring third parties who wish to become Arbonne Independent

Consultants, and to further build and promote his or her Arbonne business.

The Arbonne Independent Consultant and Arbonne agree that, but for this agreement of confidentiality and nondisclosure, Arbonne would not provide SuccessLine Activity Reports or other Arbonne confidential information to the Arbonne Independent Consultant. During any term of the Agreement, and for a period of five years after the termination or expiration of the Agreement between the Arbonne Independent Consultant and Arbonne, for any reason whatsoever, the Arbonne Independent Consultant shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Disclose any Arbonne confidential information, including information contained in any SuccessLine Activity Report, to any third party directly or indirectly;
- Directly or indirectly disclose the password or other access code to his or her SuccessLine Activity Report;
- Use the SuccessLine Activity Report or any other Arbonne confidential information to compete with Arbonne, engage in activity in violation of Section 3.8 or for any purpose other than promoting Arbonne; nor
- Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any SuccessLine Activity Report obtained while the Agreement was in effect.

The provisions of this Section 3.9 shall survive the termination, cancellation or expiration of the Agreement.

### **3.10. REMEDIES FOR DISCLOSURE OF CONFIDENTIAL INFORMATION AND VIOLATION OF CONFLICTS OF INTEREST**

Each Arbonne Independent Consultant acknowledges that Arbonne would suffer irreparable harm as a result of any unauthorized disclosure or use of Arbonne's confidential information, including any SuccessLine Activity Report, or recruitment or solicitation of Arbonne Independent Consultants for another direct selling company in violation of Sections 3.8 and 3.9, and that monetary damages are insufficient to compensate Arbonne for such harm. Therefore, if any Arbonne Independent Consultant is in breach of these Sections, Arbonne is entitled to an injunction or temporary restraining order, without notice to such Arbonne Independent Consultant, restraining any unauthorized disclosure or use of the confidential information or any recruiting or soliciting in violation of Sections 3.8 or 3.9 in addition to any other available remedy, including damages. In any such action, if Arbonne prevails, each Arbonne Independent Consultant agrees that he or she will reimburse Arbonne for its costs and reasonable attorneys' fees incurred in connection with taking the legal action. As to Arbonne, Arbonne Independent Consultants waive all bonding requirements otherwise applicable to a temporary restraining order and/or injunction.

The provisions of this Section 3.10 shall survive the termination, cancellation or expiration of the Agreement.

### **3.11. NON-DISPARAGEMENT**

Arbonne welcomes constructive input regarding the Arbonne opportunity and Arbonne products, but publicly communicated negative comments and remarks by Arbonne Independent Consultants about Arbonne, Arbonne products, the Arbonne opportunity, Arbonne employees or other Arbonne Independent Consultants serve no purpose other than to undermine the enthusiasm of other Arbonne Independent Consultants. Arbonne Independent Consultants must not disparage Arbonne, other Arbonne Independent Consultants, Arbonne's products or services, the SuccessPlan, Arbonne's employees or those of any other competing company. Disparagement of Arbonne shall constitute a material breach of the Agreement and may result in termination.

### 3.12. REPACKAGING ARBONNE PRODUCT

Arbonne products may only be sold in their original packaging, complete with instructions for use, warning labels and ingredient list. Arbonne Independent Consultants shall not repackage, re-label, adulterate or tamper in any way with any product packaging. "Testers" or other previously used or opened product should be clearly marked as such and may not be sold.

### 3.13. ACTIONS OF HOUSEHOLD MEMBERS

If any member of an Arbonne Independent Consultant's immediate household engages in any activity which, if performed by the Arbonne Independent Consultant, would violate any provision of the Independent Consultant Agreement, including these Policies & Procedures, such activity will be deemed a violation by the Arbonne Independent Consultant and Arbonne may take disciplinary action pursuant to the Agreement against the Arbonne Independent Consultant. Similarly, if any individual associated in any way with a Business Entity violates the Agreement, such action(s) will be deemed a violation by the Business Entity and Arbonne may take disciplinary action against the Business Entity.

### 3.14. COMMERCIAL OUTLETS

#### 3.14.1. RETAIL OUTLETS

Arbonne is a person-to-person marketing company. Presentations, business meetings and personal contacts of Arbonne Independent Consultants are the primary permissible venues where Arbonne products and the opportunity are intended to be presented. Arbonne does not authorize its products to be sold or displayed in retail outlets. Arbonne products may not be displayed and/or sold to the general public in any office or business/commercial outlet, or through home shopping network programs (e.g., HSN, QVC).

Examples of outlets that may not sell Arbonne products or display Arbonne Tools or other promotional materials include, but are not limited to: department stores, beauty supply stores, supermarkets, drug stores, health food stores, discount establishments, swap meets, mall carts, kiosks and flea markets.

As a limited exception to the foregoing rule, product may be sold or displayed in: (1) offices and other areas located in private clubs or membership-only gyms that are not accessible to, or in view of, the general public; or (2) the private offices of professionals who operate by appointment only (e.g., doctors, dentists, chiropractors, etc.) and beauty salons. Even within this exception, Arbonne products may not be displayed in public view, such as in a window display.

Approval, at Arbonne's sole discretion, will not be given for venues that are not conducive to the professional image Arbonne wishes to portray. Arbonne products may not be sold or displayed in any other public retail/service locations. Notwithstanding this exception, products from other direct selling companies in the same generic product or service categories as offered by Arbonne, regardless of cost differences, quality or other distinguishing factors, may not be present and sold in these private clubs, gyms, offices and salons.

#### 3.14.2. EXHIBITS AND TRADESHOWS

An Arbonne Independent Consultant may not sell or promote Arbonne products on the premises of any ongoing or frequently recurring event, except at events limited in duration with an environment promoting Arbonne's standard of excellence, such as, but not limited to, state fairs, holiday boutiques, school carnivals, health fairs, conventions, tradeshow, bridal shows, modeling shows and pageants.

Arbonne reserves the right to prohibit an Arbonne Independent Consultant's ability to sell through a commercial outlet if the Arbonne

Independent Consultant or outlet is presented, or engages, in any activity that in Arbonne's sole discretion is not in Arbonne's best interests.

#### 3.14.3. NO WHOLESALING PRODUCTS

Arbonne Independent Consultants are prohibited from selling to persons, either directly or indirectly, who ultimately (i) resell the Arbonne products through a retail store, (ii) resell the Arbonne products over the Internet, regardless of the form of Internet distribution channel, (iii) import the Arbonne products into a country that is not an Authorized Country (as defined in Policy 3.16), or (iv) use any other method of distribution that violates the primary purpose of the direct selling and/or multi-level marketing business and that of Arbonne. Each Arbonne Independent Consultant must take reasonable steps to ensure that persons who purchase Arbonne products from him or her do not intend to violate this Policy 3.14.3.

### 3.15. TERRITORIES

By signing the Arbonne Independent Consultant Application & Agreement, an Arbonne Independent Consultant may sell, sponsor, train and build his or her business anywhere within the United States, its territories, and any other country in which Arbonne is authorized to conduct business as announced from time to time in official Arbonne literature (the "Authorized Countries"). There are no restrictions on the location of an Arbonne Independent Consultant's territory within any of the Authorized Countries.

### 3.16. SALES IN AUTHORIZED COUNTRIES ONLY

Arbonne Independent Consultants are authorized to sell Arbonne products and enroll Clients or Arbonne Independent Consultants only in the Authorized Countries. In all instances, Arbonne Independent Consultants must comply with any and all applicable laws, regulations, and requirements, as well as Arbonne's requirements for doing business internationally. Arbonne products purchased in the United States cannot be delivered or sold in any foreign country for the purpose of resale. Arbonne products purchased by Arbonne Independent Consultants for resale in another Authorized Country must be purchased from Arbonne in such country for delivery within that country. No Arbonne Independent Consultant may sell, give, transfer, import, export or distribute Arbonne products or Tools in any unauthorized country. In addition, no Arbonne Independent Consultant may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential Clients or Arbonne Independent Consultants; or (c) conduct any other activity for the purpose of selling Arbonne products, establishing a SuccessLine organization or promoting the Arbonne opportunity.

Any Arbonne Independent Consultant who operates an Arbonne business that is not in compliance with this Policy 3.16 shall forfeit any commissions, bonuses or other forms of compensation or rewards earned as a result thereof and shall indemnify Arbonne for any damages, costs or losses sustained as a result of Arbonne Independent Consultant's failure to comply. In addition, Arbonne may, at its sole discretion, suspend the purchasing privileges or terminate the Independent Consultant Agreement of any Arbonne Independent Consultant who violates this policy.

### 3.17. BUSINESS REFERRALS AND LEADS FROM CORPORATE WEBSITE OR CUSTOMER SERVICE

Arbonne's marketing and public relations efforts will primarily direct potential Clients and Arbonne Independent Consultants to our official corporate website. While on the official corporate website, the potential Client or Arbonne Independent Consultant may learn more about products and the Arbonne opportunity. Arbonne will allocate leads from the corporate website or 1.800.ARBONNE (Customer Service) calls to qualifying Arbonne Independent Consultants. These leads may be requests from Clients for

more information about Arbonne or learning more about the Arbonne opportunity, sponsoring assignments for new Arbonne Independent Consultants who did not request assignment to a particular Sponsor during the application process, and corporate referral orders for Client orders placed on our corporate website when the Client has not indicated a particular Arbonne Independent Consultant. Leads and assignments will be given to an Arbonne Independent Consultant based on criteria determined by Arbonne in its sole discretion. If a qualified Arbonne Independent Consultant is assigned a new Arbonne Independent Consultant and does not wish to coach the newly assigned Arbonne Independent Consultant, Arbonne reserves the right to reassign the new Arbonne Independent Consultant to the next closest qualified Arbonne Independent Consultant (rather than the original Sponsor's upline) upon such notification.

### **3.18. SPONSORING AND REGISTRATION**

The Arbonne Independent Consultant who makes initial contact with a potential new Arbonne Independent Consultant or Preferred Client is usually the one who sponsors or registers him or her; however, if several Arbonne Independent Consultants contact the same individual, only the Arbonne Independent Consultant who is specified in the Independent Consultant Application & Agreement or Preferred Client registration submitted to Arbonne by the prospective Arbonne Independent Consultant or Preferred Client will be deemed his or her Sponsor or registering Arbonne Independent Consultant. All Arbonne Independent Consultants have the right to sponsor others to become Arbonne Independent Consultants and register Preferred Clients.

### **3.19. CONSULTANT SPONSORED PROMOTIONS AND INCENTIVES**

Arbonne Independent Consultants may offer personal recognition for Arbonne Independent Consultants in their SuccessLine organizations, as long as such programs are not recruitment-based bonus plans (commonly referred to as head-hunting plans) or could cause Arbonne Independent Consultants to purchase excess inventory. Because there are varying laws that govern contests, each Arbonne Independent Consultant is responsible for ensuring that his or her activities are legally permissible. Sweepstakes and lotteries are not permitted.

### **3.20. TELEPHONE AND MASS MEDIA SOLICITATION**

Arbonne Independent Consultants are not authorized to engage in any telemarketing activities or other mass market direct-to-consumer electronic communications on Arbonne's behalf. Arbonne Independent Consultants are prohibited from sending, either directly or through a third party, any form of communications (including telephone calls, text messages, emails, faxes or other media) that in any way relate to Arbonne using any form of automatic telephone dialing systems or other automated devices, or using artificial or pre-recorded voice messages. Arbonne Independent Consultants also may not engage in mass telemarketing activities through the use of manual call center "cold calling" and/or "boiler room" sales operations in connection with their Arbonne business.

Arbonne Independent Consultants must strictly comply with the numerous federal and state laws and regulations applicable to unsolicited telephone calls, text messages, emails, faxes and other written or electronic communications, which, in addition to federal law, may include the law of the state(s) in which the recipient(s) of any communications reside, as well as the state in which the Arbonne Independent Consultant resides and/or conducts business. It is the responsibility of each Arbonne Independent Consultant to consult with an attorney who is knowledgeable about this area of law and familiarize him or herself with applicable federal law and the laws of any state in which he or she resides and conducts business, and in which the recipients of such communications reside. These laws include, but are not limited to, compliance with the Federal Communications Commission's (FCC) and the Federal Trade

Commission's (FTC) Do Not Call and Do Not Spam rules, as well as the Telephone Consumer Protection Act (TCPA). In many cases, individual state laws are more restrictive than federal law.

Any email sent by an Arbonne Independent Consultant that promotes Arbonne, the Arbonne opportunity, or Arbonne products and services must, at a minimum, include the following:

- A functioning return email address to the sender.
- A notice in the email in at least the same size font as the email message that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- The Arbonne Independent Consultant's physical mailing address.
- A clear and conspicuous disclosure that the message is an advertisement or solicitation.

The use of deceptive subject lines and/or false header information is prohibited. All opt-out requests, received by email or any other means, must be honored immediately. If an Arbonne Independent Consultant receives an opt-out request from a recipient, the Arbonne Independent Consultant must forward the opt-out request to Arbonne as soon as possible.

Arbonne Independent Consultants should be aware that there is a significant monetary fine per violation of the FTC's and the FCC's respective Do Not Call and Do Not Spam rules, and other severe penalties for violating other laws applicable to telephone and mass media solicitations. Therefore, unless an Arbonne Independent Consultant has carefully studied the requirements of the rules, consulted with an attorney informed about such rules, and designed a strict compliance program, he or she should not engage in placing unsolicited telephone calls or other mass media communications to prospects.

By entering into the Agreement, the Arbonne Independent Consultant is affirmatively choosing to allow Arbonne to send to him or her communications related to the sale or promotion of Arbonne products and services, the business opportunity, events or incentives. Communications may take the form of telephone calls, email, postal service, or any other method of communication. Any such communications will always provide a means to opt out of receiving further similar communications. An Arbonne Independent Consultant may also manage his or her privacy settings online when logged in to his or her account on Arbonne's website or by contacting Arbonne Customer Service.

Arbonne may also periodically send commercial emails to Clients and Preferred Clients on behalf of Arbonne Independent Consultants. By entering into the Agreement, the Arbonne Independent Consultant agrees that Arbonne may send such emails and that the Arbonne Independent Consultant's physical and email addresses will be included in such emails as outlined above. Arbonne Independent Consultants must immediately honor opt-out requests generated as a result of such emails sent by Arbonne. Arbonne Independent Consultants who wish to send unsolicited commercial emails within the United States must not use mass emailing campaigns, and must otherwise comply with the terms of the Agreement. Arbonne Independent Consultants who wish to send unsolicited commercial emails to recipients outside of the United States (in an Authorized Country in which Arbonne conducts business) must comply with the applicable laws and regulations of that country. Arbonne encourages its Arbonne Independent Consultants to review these requirements in the Policies & Procedures applicable to such countries, and to consult with their own legal advisor if they have any questions.

### **3.21. DATA SECURITY AND PRIVACY**

All Arbonne Independent Consultants must adopt, implement and maintain appropriate administrative, technical and physical safeguards

to protect against foreseeable threats or hazards to the security of SuccessLine Activity Reports, including without limitation any Client data, including but not limited to data that personally identifies the Client, such as payment information, name, address, email address and phone number. For purposes of this policy, Clients include any Preferred Clients. Appropriate safeguards for electronic and paper records may include, but are not limited to: (i) encrypting data before electronically transmitting it, (ii) storing records in a secure location, and (iii) password protecting computer files or locking up physical files containing SuccessLine Activity Reports. Without limiting the preceding sentence or the provisions of Section 3.9 regarding confidential information, Arbonne Independent Consultants must keep SuccessLine Activity Reports, Client data and other confidential information secure from all persons who do not have legitimate business needs to see or use such information. Arbonne Independent Consultants should maintain Client data for only so long as there is a legitimate business need or as required by applicable law. If Arbonne Independent Consultants dispose of any paper or electronic record containing SuccessLine Activity Reports, Client data and other confidential information, Arbonne Independent Consultants shall do so by taking all reasonable steps to destroy the information by (i) shredding, (ii) permanently erasing and deleting, or (iii) otherwise modifying the Client data and other confidential information in those records to make it unreadable, unreconstructible, and indecipherable through any means. Upon request, Arbonne Independent Consultants will certify to Arbonne that all forms of the requested personal information have been destroyed and will describe any exceptions.

Arbonne Independent Consultants must comply with all applicable privacy and data security laws, including security breach notification laws and protection of any Client's personal information (including, for example, Social Security numbers). Without limitation of the preceding sentence, in the event of an actual or suspected security breach affecting Client data, the applicable Arbonne Independent Consultants shall promptly within 48 hours notify the applicable Clients and Arbonne's Business Ethics Standards Team in writing after becoming aware of such security breach and specify the extent to which Client data was or was suspected to be disclosed or compromised and shall promptly comply with all applicable information security breach disclosure laws. Arbonne Independent Consultants may submit such notice to the Business Ethics Standards Team via the online contact form available on Arbonne's website at [arbonne.com](http://arbonne.com). Arbonne Independent Consultants, at their expense, shall cooperate with Arbonne and applicable Clients, and use their best efforts to mitigate any potential damage caused by a breach of their obligations under the Agreement applicable to Client data, including by sending notice to the affected individuals, state agencies and consumer reporting agencies, if such notification is required by law.

For the purpose of this section, a "security breach" means a breach of security or an unauthorized disclosure, access, acquisition or use of customer data or any confidential information of Arbonne, including such access or acquisition as a result of theft, hacking or inadvertent error. "Client data" means all data and information submitted by a Client or potential Client to a Consultant in connection with a purchase of Arbonne products or otherwise including, without limitation, such Client's name, address, phone number, Social Security number and financial account information, products ordered and order volume.

### **3.22. NON-INTERFERENCE WITH ARBONNE PRODUCT DEVELOPMENT AND MANUFACTURE**

The development and manufacture of Arbonne products is solely within Arbonne's authority. Arbonne Independent Consultants shall not contact or communicate with manufacturers, suppliers and/or vendors of Arbonne products relating to the development, manufacture, or sale of Arbonne and authorization from Arbonne's chief legal officer. Arbonne Independent Consultants are prohibited from procuring, or seeking to

procure, directly or indirectly, any financial or personal gain from any manufacturer, supplier and/or vendor of Arbonne products relating to the development, manufacture, or sale of Arbonne products.

## **SECTION 4 — INTERNET AND SOCIAL MEDIA POLICIES**

### **4.1. SELLING PRODUCTS ONLINE**

In order to maintain the integrity of the Arbonne brand name, product line and the Client/Arbonne Independent Consultant relationship, Arbonne Independent Consultants may only sell Arbonne products online, including current and past Arbonne merchandise, campaign materials and any other promotional materials (collectively, "Products") through the Arbonne Replicated Website Program. Any online sales media, including independent websites, online retail stores, e-commerce sites, blogs, online malls or auction sites, such as, but not limited to, eBay, Amazon, Craigslist and Groupon are prohibited. Sales of products on eBay, Amazon or other auction or online retail sites shall result in immediate suspension followed by disciplinary sanctions. Sharing content or promotions provided by Arbonne from Arbonne's official corporate social media pages to an Arbonne Independent Consultant's page on such social media sites will not be deemed a violation of this policy provided the page is a fan or business page that is compliant with Section 4.6 and any link leads to [arbonne.com](http://arbonne.com) or to the Arbonne Independent Consultant's Arbonne replicated website.

### **4.2. ARBONNE REPLICATED WEBSITE PROGRAM**

Arbonne's Independent Consultant Replicated Website Program is available to any Arbonne Independent Consultant to establish a business presence online and start automating specific business tasks. With a Arbonne Replicated Website directly linked to an Arbonne ID, Arbonne Independent Consultants can sell Arbonne products, sponsor new Arbonne Independent Consultants and register Preferred Clients and Clients, receive online Client referrals from [arbonne.com](http://arbonne.com), view reporting and tracking of sales from the website, manage presentations and select a personal website address. Preferred Clients and Clients are not eligible to participate in the Arbonne Replicated Website Program. Any Arbonne Independent Consultant who is reassigned to Preferred Client or Client status (e.g., if he or she does not meet the 12 in 12 Independent Consultant Maintenance Requirement set forth in the SuccessPlan) and has a Arbonne Replicated Website at the time of reassignment, will not be able to use such website, which will be made inactive so long as he or she is a Preferred Client or Client, even if he or she subscribed to a longer Arbonne Replicated Website account period while an Arbonne Independent Consultant.

#### **4.2.1. NO ARBONNE REPLICATED WEBSITE WARRANTIES**

Arbonne makes no guarantees or representations regarding the success or usefulness of participating in the Arbonne Replicated Website Program. INTERNET SERVICES PROVIDED BY ARBONNE ARE SOLELY PROVIDED "AS IS." ARBONNE MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT. Arbonne may not be held liable for any downtime on the Arbonne Replicated Websites due to server delays or problems, viruses, maintenance or any other reason whatsoever.

#### **4.2.3. ARBONNE REPLICATED WEBSITE MANDATORY REQUIREMENTS**

Website parameters for all Arbonne Replicated Websites include the following mandatory requirements:

- Website content and images must comply with all of Arbonne's Policies & Procedures.



- The words “Arbonne Independent Consultant” must be on the homepage along with the Arbonne Independent Consultant’s name or Business Entity.
- In no way should the site give the impression of representing Arbonne, the company, rather than an Arbonne Independent Consultant. This includes using Arbonne or Arbonne International as the title for any page within the website, especially the homepage.
- Websites cannot include product or opportunity information offered by any company other than Arbonne.
- Except for the link to Arbonne’s website or any fan or business page on a social network clearly identified as an Arbonne Independent Consultant, websites may not have external links.
- Selling Arbonne products online outside of the Arbonne Replicated Website Program is strictly prohibited.
- Sponsoring Arbonne Independent Consultants or registering Preferred Clients online via an electronic signature application or online form is not permitted outside of the Arbonne Replicated Website Program.
- Arbonne Independent Consultants may use images provided by Arbonne from arbonne.com and should keep images current and remove any images no longer available from Arbonne. People or model images (other than Arbonne Independent Consultants or Arbonne employees) cannot be downloaded or copied due to copyright laws.
- Copy downloaded from arbonne.com or taken from printed Arbonne literature must be used exactly as printed or written. Changing a word or two may change the real meaning or definition.
- Websites that contain earning claims must include the Income Disclaimer found in Policy 3.3.10 and a link to the Independent Consultant Compensation Summary at arbonne.com.
- Websites should not present false or misleading information about Arbonne, the Arbonne opportunity or your relationship with Arbonne.
- Websites must not contain medical claims or statements as outlined in Policy 3.3.9.
- Arbonne Independent Consultants may not publish, post or distribute any material on their websites or in connection with Arbonne that is defamatory, libelous, disparaging, threatening, offensive, harassing, abusive, obscene, pornographic, in violation of applicable law, or that inhibits others from enjoying the Arbonne website or Arbonne Independent Consultant websites.
- Arbonne Independent Consultants may not violate or infringe on the rights of others, including privacy, publicity and proprietary rights.
- Arbonne Independent Consultants agree not to interfere or take action that results in interference with or disruption of Arbonne or Arbonne Independent Consultant replicated websites or servers or networks connected to the foregoing. Arbonne Independent Consultants agree not to attempt to gain unauthorized access to computer systems or networks connected to the foregoing.
- It is the sole responsibility of each Arbonne Independent Consultant to ensure that his or her website fully complies with

Arbonne’s Internet policies, as well as with all applicable federal and state rules and regulations.

- All websites must clearly and conspicuously identify the owner of the site as an Arbonne Independent Consultant for Arbonne. No blind sites are permitted.
- Websites must appropriately represent and enhance the Arbonne brand.
- Arbonne Independent Consultants may not use Arbonne or any derivative or misspelling thereof in the website extension. Additionally, using a generic extension like “shop,” “skincare,” “wellness,” or geographic locations, such as city names or major regions, etc., are not permitted. For example, the extension can be arbonne.com/janesmith, arbonne.com/jsmith or arbonne.com/janes. Arbonne Independent Consultants cannot use any name like arbonne.com/skincare, arbonne.com/shop, arbonne.com/janesellsarbonne or arbonne.com/newyork. Arbonne reserves the right to change any Arbonne Replicated Website extension if it does not relate to an Arbonne Independent Consultant’s name.
- Arbonne Independent Consultants shall only use the URL assigned to their Arbonne Replicated Website to direct traffic to that site. Except for URL shorteners, which are permitted to direct to an Arbonne Independent Consultant’s replicated website, Arbonne Independent Consultants shall not use any other domain name or URL and redirect web traffic to their Arbonne Replicated Website from such other URL.
- Decisions and corrective actions in this area are at Arbonne’s sole discretion.

ARBONNE DISCLAIMS ANY AND ALL LIABILITY ARISING OUT OF OR RELATED IN ANY WAY TO ARBONNE REPLICATED WEBSITES. Arbonne Independent Consultants will be held responsible for any statements or other content that is posted on Arbonne Independent Consultants’ websites or email, including liability for harm caused by such statements or material. Arbonne reserves the right to receive analytics and information regarding the usage of any Arbonne Replicated Website.

#### 4.3. BLOGS

A blog, or website developed on a blogging platform, that is developed for the primary purpose of marketing or promoting Arbonne, its products or opportunity is not permitted. This does not include blogs created by you or others, which are developed primarily for other purposes that mention Arbonne.

#### 4.4. WEBSITE DOMAIN NAMES, EMAIL ADDRESSES AND ONLINE ALIASES

Arbonne Independent Consultants are not permitted to use or register any of Arbonne’s trademarks, product names or any derivatives, whether abbreviated or not, and a specific geographic region for any Internet domain name, email address, social networking profile, or online alias. Additionally, Arbonne Independent Consultants are not permitted to use or register domain names, email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of, Arbonne. Examples of the improper use of Arbonne are: Arbonnegirl@gmail.com; isellarbonne.com; facebook.com/Arbonnefan, @arbonneguy, @arbonne\_newyork, or Arbonne showing up as the sender of an email.

## 4.5. USE OF SOCIAL NETWORKING MEDIA

### 4.5.1. SOCIAL NETWORKING SITES

Arbonne Independent Consultants may use social networking sites (e.g., Facebook, Twitter, LinkedIn, Instagram, Pinterest, forums and other social shared interest sites) so long as they adhere to the requirements set forth in this Section as well as Arbonne's policies relating to Advertising (Section 3), comply with the terms of use of those sites (including any restrictions on commercial use), do not use those sites to prospect or sponsor persons in countries which are not Authorized Countries or where it is unlawful to do so, and do not use sites which are intended for use primarily by those below 18 years of age.

Arbonne Independent Consultants may not create a fan page on Facebook, Twitter, Instagram, Pinterest or any other social media site that appears to be the Arbonne Home Office. However, they may create a site that includes the term "Arbonne Independent Consultant" in the name. They cannot use the word "official" or anything similar or any specific geographic location. If an Arbonne Independent Consultant links to his or her Arbonne Replicated Website on a social networking site, she or he must clearly identify as an Arbonne Independent Consultant.

Profiles generated in any social networking site where an Arbonne Independent Consultant mentions or discusses Arbonne must clearly identify the user as an Arbonne Independent Consultant, disclose the user's full name and follow this naming order: "Name, Arbonne Independent Consultant." Arbonne does not authorize the anonymous use or use under an alias of such websites. The Facebook page profile picture must be a photo of the Arbonne Independent Consultant (or the Arbonne Independent Consultant logo). Do not use the Arbonne logo, the profile picture for the official Arbonne corporate profile or any other branded image that isn't approved by Arbonne in writing or specifically provided by Arbonne for use by the Arbonne Independent Consultants.

Arbonne Independent Consultants are encouraged to share the content Arbonne posts on its corporate social media profiles and pages with their network on their personal business accounts or pages. An Arbonne Independent Consultants may share offers and promotions posted by the Home Office provided the social media page is a compliant fan or business page for their personal Arbonne business and any link leads to arbonne.com or to the Arbonne Independent Consultant's Arbonne replicated website. Arbonne Independent Consultants are not permitted to advertise discount offers using Facebook offers or offer blanket discounted product offers that are not provided by Arbonne. Arbonne Independent Consultants may use social media to invite fans, friends and followers to attend group presentations, provided they do not solicit on the corporate site as stated in 4.5.2.

### 4.5.2. SOLICITATION ON CORPORATE SOCIAL MEDIA PROFILES

Arbonne Independent Consultants may not use Arbonne corporate social media presences such as the Arbonne corporate Facebook page, Twitter account, Pinterest, Instagram, etc., to solicit business, drive people to an Arbonne Replicated Website, or sponsor team members. These presences are for the Clients and prospects of all Arbonne Independent Consultants, and must remain a safe place for Arbonne Independent Consultants to send their Clients and prospects, without fear of losing them. Arbonne Independent Consultants may not post their replicated website URL on the corporate Facebook page in response to a Client request, may not offer to sell a product to a Client who inquires about a product, or reply

to a prospect who asks about the Arbonne Opportunity. Arbonne's Home Office will respond to people directly who interact with us on these sites, and Arbonne Independent Consultants should not respond unless the Home Office specifically requests that they do so. Arbonne Independent Consultants may not reach out directly to celebrities, national magazines or other media outlets on behalf of the brand through social media.

### 4.5.3. RESPONSIBILITY FOR POSTINGS

Under the Agreement, each Arbonne Independent Consultant agrees to indemnify Arbonne against all damages arising out of his or her activities as an Arbonne Independent Consultant. Arbonne may rely on this indemnity if an Arbonne Independent Consultant's online activity damages Arbonne or the Arbonne opportunity. Arbonne Independent Consultants are responsible for their own postings and all other online activity conducted by or on behalf of that Arbonne Independent Consultant's business. This policy applies even if an Arbonne Independent Consultant does not own or operate a website or social networking site. If an Arbonne Independent Consultant posts, directly or indirectly, any comment to any such site that relates to Arbonne, the Arbonne Independent Consultant is responsible for the posting.

### 4.5.4. USE OF THIRD-PARTY INTELLECTUAL PROPERTY

If an Arbonne Independent Consultant uses the trademarks, trade names, service marks, copyrights or intellectual property of any third party in any posting, it is his or her responsibility to ensure that he or she has permission and is authorized to use such intellectual property. Such permission is usually obtained through a license agreement and payment of an appropriate license fee and/or royalties. All third-party intellectual property must be properly referenced as the property of the third party, and an Arbonne Independent Consultant must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

### 4.5.5. TRUTHFULNESS IN POSTINGS

Arbonne Independent Consultants must refrain from making any misleading or deceptive claims or statements about Arbonne, the Arbonne products or the Arbonne opportunity in any online postings. It is the obligation of Arbonne Independent Consultants to ensure their postings and other online marketing activities are truthful, not deceptive and not misleading to customers or potential Arbonne Independent Consultants in any way.

Websites and web promotion activities and tactics that are misleading or deceptive, regardless of intent, may breach the Agreement and the law generally, and are strictly prohibited. This may include spam linking (or blog spam), unethical search engine optimization (SEO) tactics, misleading click-through ads (i.e., having the display URL of a pay-per-click campaign appear to resolve to an official Arbonne website when it goes elsewhere), unapproved banner ads and unauthorized press releases. The truthfulness or accuracy of website content or web promotion activities shall be determined by Arbonne in its sole discretion.

### 4.5.6. RESPECTING PRIVACY

Arbonne Independent Consultants must always respect the privacy of others in their postings and must not engage in gossip or advance rumors about any individual, company, or competitive products or services. In this regard, Arbonne Independent Consultants may not list the names of other individuals or entities on their postings unless they have the written permission of the individual or entity that is the subject of their posting.

#### 4.5.7. INAPPROPRIATE CONTENT PROHIBITED

When Arbonne Independent Consultants participate in social networking sites, they must comply with the terms of use of the site, particularly (but not limited to) in relation to avoiding inappropriate conversations, comments, images, video, audio or other applications, including but not limited to profane, violent, offensive, threatening, defamatory, libelous, harassing, discriminatory or vulgar content (all of which is termed "Inappropriate Content"). The determination of what is Inappropriate Content shall be determined by Arbonne in its sole discretion, and offending Arbonne Independent Consultants will be subject to disciplinary action/or deactivation. If an Arbonne Independent Consultant becomes aware of any Inappropriate Content from, or purporting to be from, another Arbonne Independent Consultant it shall notify Arbonne as soon as practicable.

#### 4.5.8. REMOVAL UPON TERMINATION OF ARBONNE ID

If an Arbonne Independent Consultant's Agreement is terminated for any reason, pursuant to the terms of the Agreement, he or she must promptly, but in any event within five days, discontinue all uses of Arbonne's name, Arbonne's trademarks, trade names, service marks, other intellectual property, and all derivatives of such marks and intellectual property, in any format, including print, email, post-ings and all social media sites.

### 4.6. ONLINE ADVERTISING

#### 4.6.1. ONLINE CLASSIFIEDS

Arbonne Independent Consultants are not permitted to use online classifieds (including Craigslist or Groupon) to list, sell or retail specific Arbonne products. Arbonne Independent Consultants may, however, use online classifieds (excluding Craigslist) for informing the public about Arbonne and the Arbonne opportunity, provided that they use the templates created and provided by Arbonne to identify themselves as an Arbonne Independent Consultant, as stated in Section 3.3.3. If a link or URL is provided, it must link to the Arbonne Independent Consultant's Arbonne Replicated website. Arbonne Independent Consultants are responsible for complying with the terms of use of those sites, some of which specifically prohibit advertising for a multi-level marketing business.

#### 4.6.2. BANNER ADVERTISING

Arbonne Independent Consultants may place banner advertisements on a website provided they use the templates created and provided by Arbonne to identify themselves as an Arbonne Independent Consultant, as stated in Section 3.3.3. All banner advertisements must link to an Arbonne Replicated Website. Arbonne Independent Consultants may not use blind ads or web-pages that make product or income claims that are ultimately associated with Arbonne products or the Arbonne opportunity.

#### 4.6.3. HOTLINKS

When directing viewers to an Arbonne Replicated Website, in order to avoid misleading or deceiving the reasonable reader, it must be evident from a combination of the link and the surrounding context that the link resolves to the website of an Arbonne Independent Consultant. Links that mislead viewers into believing they are being directed to the Arbonne corporate site, when in fact they are directed to an Arbonne Independent Consultant site, are strictly prohibited. The determination of whether a link is misleading shall be made by Arbonne in its sole discretion.

#### 4.6.4. SEARCH ENGINES, SPONSORED LINKS AND PAY-PER-CLICK ADS

Arbonne Independent Consultants agree to cooperate fully with Arbonne so that Internet search engines list Arbonne's website, arbonne.com, as the first search result when an Internet browser makes a query containing the name Arbonne or any one of Arbonne's product names or trademarks along with any variations.

Arbonne Independent Consultants are authorized to use sponsored links or pay-per-click (PPC) ads, including Google AdWords™ or Facebook Advertising, provided that Arbonne Independent Consultants use the templates created and provided by Arbonne or use an ad approved in advance by the Business Ethics Standards Team. Arbonne Independent Consultants are prohibited from using the Arbonne name, Arbonne product names, trademarks or any variations as the target keywords, and may only use generic search terms such as cosmetics, skincare, hair care, beauty, aromatherapy, makeup, nutrition, etc. In addition, the destination URL and display URL must show and resolve to a Arbonne Replicated Website, and must not portray any URL that could mislead the user into believing that they are being directed to an Arbonne corporate site. All web advertisements must clearly contain the descriptor of Arbonne Independent Consultant in both the title and description field.

#### 4.6.5. SPAM LINKING

Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums. This includes blog spamming, blog comment spamming and/or spamdexing (also known as search engine index manipulation). Arbonne Independent Consultants may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments or links to their personal Arbonne Replicated Website or social media pages. Spam linking is strictly prohibited.

### 4.7. PRIVACY POLICY

Arbonne Independent Consultants agree to abide by the Privacy Policy set forth on Arbonne's website and to honor and extend those same policies to persons visiting Arbonne Replicated Websites.

## SECTION 5 — ORDERS

### 5.1. PLACING ORDERS

Orders placed directly through the corporate office may be made by phone or Internet. Customer Service hours, procedures, acceptable methods of payment and shipping methods are available on arbonne.com. With one shipping destination per order, Arbonne Independent Consultants may request the products to be shipped directly to themselves or their Clients or Preferred Clients. Orders can be placed via the Internet at arbonne.com or through the Arbonne Independent Consultant Replicated Website 24 hours a day, yet are processed during regular business hours. Internet orders must be received by 10 p.m. Pacific time on the last business day of each month in order to be processed that day. Telephone orders must be received by the end of the last business day of the month in order to qualify for overrides, rewards, incentives or any portion of the Arbonne SuccessPlan in that month. Arbonne cannot process an order retroactively, nor hold the order for future processing. Declined or improperly completed credit cards are processed on the day the amount charged to the card is approved by the cardholder's bank. Orders for which the payment is declined do not apply toward deadlines, campaigns, Qualifying Volume, Retail Volume, commissions, bonuses, contests, or other rewards or remuneration.

Arbonne strives to ensure that the privacy and security of all Arbonne Independent Consultants, Preferred Clients and Clients is strongly upheld.

For this reason, Arbonne may require verification of certain information, which may include the last four digits of an Arbonne Independent Consultant's Social Security number and/or other identifying information, prior to all orders being placed.

## **5.2. COMBINED ORDERS**

Arbonne Independent Consultants may not place orders under another Arbonne ID or combine orders with another Arbonne Independent Consultant. This policy is to preserve the maintenance of product quality control, accuracy of point accumulations for awards and recognition, SuccessPlan benefits, sales tax and income reporting.

## **5.3. MANIPULATING ENROLLMENTS AND SALES VOLUME**

Arbonne Independent Consultants must not manipulate enrollments of new Arbonne Independent Consultant applicants, Preferred Client registrations or product purchases, as this may constitute bonus buying. All product orders must be placed with Arbonne or entered online within seven days from the time they are placed by a Client. Bonus buying is strictly prohibited.

## **5.4. RESTRICTIONS ON THIRD-PARTY USE OF CREDIT CARDS AND CHECKING ACCOUNT ACCESS**

Arbonne Independent Consultants shall not permit other Arbonne Independent Consultants, Preferred Clients or Clients to use his or her credit card, or permit debits to their checking accounts, to enroll or to make purchases from Arbonne on such other person's Arbonne account. Arbonne Independent Consultants may use a Client's credit card with written permission supported by sales receipts when placing retail Client orders through the Arbonne Independent Consultant's Arbonne ID.

## **5.5. ARBONNE SPECIAL DELIVERY**

Arbonne Special Delivery is the easy way for Arbonne Independent Consultants, Preferred Clients and Clients to receive Arbonne products automatically. Arbonne Special Delivery orders may be placed at [arbonne.com](http://arbonne.com) after acknowledging the Arbonne Special Delivery Agreement. Arbonne will automatically ship products based on the selected frequency. Arbonne may offer Arbonne Special Delivery rewards and promotional offers from time to time. Please refer to [arbonne.com](http://arbonne.com) for current available offers.

## **5.6. SALES TAX**

In designing the Arbonne opportunity, one of Arbonne's guiding philosophies has been to free Arbonne Independent Consultants from as many administrative, operational, and logistical tasks as possible. By doing so, Arbonne Independent Consultants are free to concentrate on those activities that directly affect their incomes, namely product sales and enrollment activities. To these ends, Arbonne relieves Arbonne Independent Consultants of the burdens of collecting and remitting sales taxes, filing sales tax reports and keeping records relative to sales taxes in the jurisdiction or location to which products are shipped. Sales made by an Arbonne Independent Consultant outside of the ship-to location may be subject to additional tax reporting or sales tax obligations by the Arbonne Independent Consultant. Arbonne Independent Consultants should direct any questions regarding their tax and reporting obligations to their own independent tax advisors.

By virtue of its business operations, Arbonne is required to charge sales taxes on all purchases made by Arbonne Independent Consultants, Preferred Clients and Clients, and remit the taxes charged to the respective states and local taxing jurisdictions. Accordingly, Arbonne will collect and remit sales taxes on behalf of Arbonne Independent Consultants, based on the Suggested Retail Price of the products for Arbonne Independent Consultants and net sales price for Clients and Preferred Clients, according to applicable tax rates in the state or local taxing jurisdictions to which the shipment of products is destined. If an Arbonne

Independent Consultant has submitted, and Arbonne has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Arbonne Independent Consultant. Exemption from the payment of sales tax is applicable only to orders that are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by Arbonne is not retroactive.

The taxability of products and sales tax rates differ by state and country. Additionally, an increasing number of local taxes (county and city) are being initiated throughout the country. This could result in a disparity in what Arbonne charges an Arbonne Independent Consultant and what the Arbonne Independent Consultant in turn can charge a Preferred Client or retail Client, depending upon where the sale occurs. The difference should be brought to the attention of Arbonne Customer Service for adjustment. Arbonne Independent Consultants must provide date of sale, state, county, city and rate of tax where sold, total retail sales and the amount of the additional tax due, or credit due. It is always the responsibility of each Arbonne Independent Consultant to know what products are taxable and at what rate. Arbonne Independent Consultants should contact his or her state or local department of revenue for assistance, or independent tax advisor with questions regarding taxability and rates.

## **5.7. ORDER VARIANCES AND ADJUSTMENTS**

If an order does not match the payment remitted, due to a pricing or addition error, the difference will be deducted or added to the Arbonne Independent Consultant's discount and/or override or products/Business Aids will be added, deleted or substituted until the total value matches the amount remitted. To avoid unnecessary delays, Arbonne Independent Consultants should carefully check their order before submitting it to Arbonne.

## **5.8. BACKORDERS**

Arbonne makes every effort to avoid backordered items. When backorders do occur, Arbonne makes every attempt to advise the Arbonne Independent Consultant, Preferred Client or Client of backorders at the time the order is placed. This provides the opportunity to cancel the item on backorder or continue to process it with the order. If an order is placed for an item that is currently not in stock, the credit card will be charged when the order is taken. When the backordered item arrives in our warehouse, it will be shipped either separately or in the next order. Arbonne reserves the right to choose the appropriate method of shipping. If the backordered item is not received in the warehouse within 30 days of the original order or is not scheduled to arrive within five days of the 30th day from the order date, the item will be voided from the order and a refund will be issued.

## **SECTION 6 — SALES**

### **6.1. QUALIFIED STATUS**

To participate in the management qualification programs and to receive any compensation from Arbonne, Arbonne Independent Consultants must accumulate a minimum of 150 in Personal Qualifying Volume that month.

### **6.2. SALES RECEIPTS**

All Arbonne Independent Consultants must provide each retail Client and Preferred Client with two copies of an official Arbonne sales receipt at the time of the sale if the Client or Preferred Client does not place the order online through his or her own Arbonne account. These receipts set forth the Client Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law. Arbonne Independent

Consultants must orally inform the buyer of his or her cancellation rights. Arbonne Independent Consultants must maintain all retail sales receipts for a period of two years and furnish them to Arbonne at the Company's request. Arbonne will maintain records documenting the purchases of the Arbonne Independent Consultants' Clients and Preferred Clients who purchase directly from Arbonne.

### **6.3. BONUS BUYING PROHIBITED**

Bonus buying is strictly and absolutely prohibited. Bonus buying includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Arbonne Independent Consultant Application & Agreement or Preferred Client registration form by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an Arbonne Independent Consultant or Preferred Client; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Arbonne Independent Consultants or Preferred Clients ("phantoms"); (d) the use of a credit card by or on behalf of an Arbonne Independent Consultant when the Arbonne Independent Consultant is not the accountholder of such credit card; (e) purchasing Arbonne products or services on behalf of another Arbonne Independent Consultant, or under another Arbonne Independent Consultant's or Client's or Preferred Client's Arbonne ID to qualify for commissions or bonuses; (f) any other mechanism by which strategic purchases are made to maximize commissions or bonuses or other incentives such as trips and awards when an Arbonne Independent Consultant has no bona fide use for the products purchased. Arbonne Independent Consultants may not inventory load nor encourage others to inventory load. Arbonne reserves the right to withhold final approval on all payments, recognition, awards or incentives pending verification of compliance with any incentive, promotional or recognition program terms and conditions and to ensure that there has been no bonus buying, inventory loading, manipulation of the SuccessPlan, or violation of the Agreement. Participants in such programs must be Arbonne Independent Consultants in good standing with the company during the incentive or promotional program period and through their reception of any awards. Arbonne Independent Consultants found in non-compliance with the Agreement during the incentive, promotional or recognition program period may not participate and will not be eligible for any payments available under such program. In the event any SuccessPlan manipulation or other activity in violation of the Agreement becomes known after awards and payments have already been given to an Arbonne Independent Consultant, Arbonne reserves the right to deduct the value of any awards from future commission payments and take any other action provided for under the Agreement.

## **SECTION 7 — BONUSES AND COMMISSIONS**

### **7.1. OVERRIDE, BONUS AND COMMISSION QUALIFICATIONS**

An Arbonne Independent Consultant must achieve qualified status and be in compliance with the Agreement to receive overrides and bonuses. So long as an Arbonne Independent Consultant complies with the terms of the Agreement, Arbonne shall pay overrides and bonuses to such Arbonne Independent Consultants in accordance with the SuccessPlan. The minimum amount for which Arbonne will issue a check is \$25. If an Arbonne Independent Consultant's overrides, bonuses and commissions do not equal or exceed \$25, the Company will accrue the overrides, bonuses and commissions until they total \$25. A check will be issued once \$25 has been accrued. All accrued commissions and bonuses will be paid out in the last commission cycle of the year regardless of the amount accrued. The last commission cycle ends in December, but commissions are not paid until January of the following year.

### **7.2. COMMISSION PAYMENTS, STATEMENTS AND 1099S**

Override and bonus checks are processed and generated after the end of each month and are scheduled to mail within 10 business days after

month-end. Attached to each check is an itemized statement of earnings. Arbonne Independent Consultants should retain all itemized earnings statements for their tax records. Direct deposit is available to those who complete the direct deposit form online in the Internet Consultant area of [arbonne.com](http://arbonne.com).

Please allow time for the postal service to deliver any check. Arbonne Independent Consultants who haven't received a check by the first day of the next month should contact Arbonne Customer Service to investigate.

Arbonne Independent Consultants who receive checks totaling \$600 or more, or anyone purchasing products totaling more than \$5,000 during a fiscal year, will receive a 1099 tax form per IRS regulations. Arbonne Independent Consultant discounts taken at the time of the order are NOT 1099 reportable. Arbonne Independent Consultants should consult their tax advisor.

### **7.3. ADJUSTMENT TO BONUSES AND COMMISSIONS**

Arbonne Independent Consultants receive compensation based on the actual sales of products and services to end consumers. When a product is returned to Arbonne for a refund or is repurchased by the Company, the discounts, overrides, commissions, bonuses, incentives, campaigns, promotional benefits, and other compensation attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given and continuing every pay period thereafter until the commission is recovered, from the Arbonne Independent Consultants who received bonuses and commissions on the sales of the refunded products. If Arbonne issues any type of compensation to an Arbonne Independent Consultant in error, Arbonne reserves the right to recover that compensation in full. If that compensation has already been used or is otherwise unavailable to Arbonne, Arbonne may deduct from future earnings.

### **7.4. ERRORS OR QUESTIONS**

In the event an Arbonne Independent Consultant has questions about or believes any errors have been made regarding commissions, bonuses, SuccessLine Activity Reports, orders, or charges, the Arbonne Independent Consultant must notify Arbonne within 60 days of the date of the purported error or incident in question. Arbonne will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

## **SECTION 8 — PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE**

### **8.1. CLIENT PRODUCT SATISFACTION GUARANTEE**

A 45-day money-back guarantee is offered on all Arbonne products to Clients (including Preferred Clients). Clients not completely satisfied may return the purchased products to their Arbonne Independent Consultant for a replacement or full refund within 45 days from the Client purchase date. A signed and fully completed Product Return Form must accompany a product return. Shipping fees are non-refundable. Please allow four to six weeks for processing. Promotional products and gift items may not be available for replacement, and may, at Arbonne's discretion, be exchanged for an item of equal value.

The product guarantee applies only to Clients who order from an Arbonne Independent Consultant, an Arbonne Replicated Website, or directly from Arbonne using an Arbonne ID.

### **8.2. INDEPENDENT CONSULTANT RETURN POLICY**

Arbonne Independent Consultants who certify that they are purchasing product for personal consumption purposes only are subject to the same return policy as is extended to Clients (see Client Product Guarantee Policy above). Exchanged products, unlike returned products, will not result in a reduction of Retail Volume, Qualifying Volume or other sales benefits.

Arbonne Independent Consultants may not return inventory (distinguished from products purchased for personal or family use) or Business Aids which they personally purchased from Arbonne for a refund, unless the Arbonne Independent Consultant is voluntarily or involuntarily terminating their business relationship with Arbonne, or the Arbonne Independent Consultant's renewal is due and the Arbonne Independent Consultant has elected not to renew. Inventory being returned must be accompanied by the Arbonne Independent Consultant's written and signed letter resigning, or stating his or her intention not to renew as an Arbonne Independent Consultant and a fully completed Product Return Form. Product and Business Aids that have been purchased within one year from the date of termination and are returned at termination must be in Re-saleable (see definition of "Re-saleable" in Section 11) condition and will be repurchased at 100% of the Arbonne Independent Consultant's original purchase price, less appropriate set-offs and legal claims, if any. Set-offs include, but are not limited to, those items identified in Policy 8.3, Commission and Bonus Recapture.

### **8.3. COMMISSION AND BONUS RECAPTURE**

8.3.1. All overrides, bonuses, commissions, incentives, campaigns or other remuneration (collectively "remuneration") that has been paid to an Arbonne Independent Consultant and his/her upline based on the Qualifying Volume or Retail Volume associated with products that are subsequently returned will be deducted from the Arbonne Independent Consultant and those upline who received remuneration based on such Qualifying Volume or Retail Volume. Valid Client product replacements and/or exchanges do not create a deduction.

8.3.2. All remuneration that has been paid to a terminating Arbonne Independent Consultant, based on the Qualifying Volume or Retail Volume associated with products that are subsequently returned, and any amounts due Arbonne from the Arbonne Independent Consultant for any other reason, are subject to deduction from the refund or repurchase amount. Overrides, bonuses and all benefits previously paid or earned on the returned marketable products by the terminating Arbonne Independent Consultant's upline will be deducted from such upline's subsequent commissions.

8.3.3. The Qualifying Volume and Retail Volume associated with returned merchandise shall also be deducted from the Central Qualifying Volume of the canceling Arbonne Independent Consultant's upline. This may result in a drop in the upline's rank should there be insufficient Central Qualifying Volume necessary for the upline to maintain qualification at such rank.

## **SECTION 9 – DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS**

### **9.1. GRIEVANCES AND COMPLAINTS**

When an Arbonne Independent Consultant has a grievance or complaint with another Arbonne Independent Consultant regarding any practice or conduct in relationship to their respective Arbonne businesses, the complaining Arbonne Independent Consultant should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's upline Sponsor. If the matter cannot be resolved, it must be reported in writing to the Business Ethics Standards Team. The Business Ethics Standards Team will review the facts and attempt to resolve it.

### **9.2. REPORTING POLICY VIOLATIONS**

Arbonne Independent Consultants observing a Policy violation by another Arbonne Independent Consultant should submit a written report of the violation directly to the attention of the Arbonne Business Ethics Standards Team. Details of the incidents such as dates, number

of occurrences, persons involved, and any supporting documentation should be included in the report. The Business Ethics Standards Team may be contacted via our online contact form available in the Contact Us section of Arbonne's website at [arbonne.com](http://arbonne.com).

### **9.3. DISCIPLINARY SANCTIONS**

Arbonne reserves the right to sanction any Arbonne Independent Consultant as specified in these Policies & Procedures when in Arbonne's sole discretion: (1) it is determined that the Arbonne Independent Consultant has violated any provisions of the Agreement, including the provisions of these Policies & Procedures in their current form and as they may be amended from time to time at Arbonne's sole discretion; (2) the Arbonne Independent Consultant has violated any laws, regulations, or standards of fair dealing; or (3) the Arbonne Independent Consultant has conducted him/herself in a way that, in Arbonne's sole discretion, damages or tarnishes Arbonne, its reputation or goodwill, or the interests of other Arbonne Independent Consultants.

#### **9.3.1. DISCIPLINARY SANCTIONS**

Disciplinary sanctions may result, at Arbonne's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requirement that the Arbonne Independent Consultant take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks or use of performance account;
- Withholding from an Arbonne Independent Consultant all or part of the Arbonne Independent Consultant's bonuses and commissions during the period that Arbonne is investigating any conduct allegedly violative of the Agreement (if an Arbonne Independent Consultant's business is involuntarily terminated for disciplinary reasons, the Arbonne Independent Consultant will not be entitled to recover any commissions withheld during the investigation period);
- Suspension of the Arbonne Independent Consultant's Agreement and Arbonne business for one or more pay periods including, but not limited to, suspension of awards or benefits (e.g., vacations, pins, etc.);
- Suspension from speaking at Arbonne training seminars or other meetings representing Arbonne;
- Prohibition from attending any corporate or Arbonne-sponsored event (e.g., GTC, NVP leadership meetings, Arbonne incentive trips), even if the Arbonne Independent Consultant has otherwise qualified for the event;
- Revocation of the Arbonne Independent Consultant's rank and reclassification of rank to Arbonne Independent Consultant or Preferred Client and resulting adjustment to override calculations, or in the case of Preferred Client, loss of downline or ability to receive commission and override payments;
- Transfer of an Arbonne Independent Consultant, downline or an entire group to the next upline;
- Involuntary termination of the offending Arbonne Independent Consultant's Agreement and Arbonne business;
- Institution of legal proceedings for monetary and/or equitable relief in situations deemed appropriate by Arbonne; or

- Any other measure expressly allowed within any provision of the Agreement or which Arbonne deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Arbonne Independent Consultant's policy violation or contractual breach.

All disciplinary sanctions are in addition to Arbonne's right to terminate or cancel the Agreement and the Arbonne Independent Consultant's Arbonne business with or without cause.

### 9.3.2. NOTICE OF DISCIPLINE

Arbonne shall notify a disciplined Arbonne Independent Consultant by email, U.S. mail, overnight courier or other reasonable commercial means. Notice will be sent to the latest address listed with Arbonne for the Arbonne Independent Consultant. Sanctions shall become effective when sent or upon the Arbonne Independent Consultant's actual notice, whichever occurs first.

## 9.4. MEDIATION AND ARBITRATION

### 9.4.1. BINDING, FINAL AND EXCLUSIVE RESOLUTION PROVISIONS, AND TIME LIMIT TO BRING CLAIMS

Arbonne and Arbonne Independent Consultants each waive their respective rights to a jury or court trial to resolve any dispute arising from, or relating to, the Agreement except as expressly set forth below. Thus, all such disputes shall be resolved exclusively through mediation or binding arbitration.

All disputes and claims (the "Dispute" or "Disputes") relating to Arbonne, or its past or present related entities, officers, directors, employees, investors, distributors or vendors, its marketing and compensation plan, its products, its services, the rights and obligations of an Arbonne Independent Consultant and Arbonne, or any other claims or causes of action arising out of the relationship between the parties or relating to the performance of either an Arbonne Independent Consultant or Arbonne under the Agreement, or the purchase of products, shall be submitted to mediation and if that is not successful, to final and binding arbitration as set forth here.

Notwithstanding the required mediation procedure set forth below, all such Disputes where either an Arbonne Independent Consultant seeks reinstatement of his or her Arbonne business after termination by Arbonne and/or any loss of income due to such termination, or Arbonne seeks payment from the terminated Arbonne Independent Consultant as allowed by Section 10.1 below (collectively the "Compensation or Refund Claims"), must be asserted by filing and serving a Demand for Arbitration within one year from the date of termination. In the event that such a Compensation or Refund Claim is timely filed and served in an arbitration proceeding by either party, the responding party, notwithstanding the one-year limitation, shall have an additional thirty (30) days to file and serve their own Compensation or Refund Claim in the same arbitration proceeding. The method of such filing and service shall be in accordance with the then applicable rules of the arbitration service discussed in Section 9.4.2 below. Failure to file and serve a Demand for Arbitration within such time periods shall bar all claims for such act(s) or omission(s) arising from or related to the Compensation or Refund Claim. Arbonne Independent Consultants and Arbonne waive all claims that any other statute of limitations apply as to the Compensation or Refund Claims. The limitations period for all other disputes and controversies between the parties shall be measured by the applicable statute of limitations under Delaware law or, where applicable, federal law. Notwithstanding any other provision in this Section and its subparts, any dispute regarding the timeliness of a Notice of Mediation or Demand for Arbitration shall be decided

exclusively by a court in the county and state of the primary Arbonne corporate office in the United States.

### 9.4.2. MEDIATION

If a Dispute arises, it is expected that the parties will attempt in good faith to resolve it in an amicable and mutually satisfactory manner. If such efforts are unsuccessful, and as a prerequisite to filing a claim in arbitration, either party shall first serve a notice requesting mediation ("Notice of Mediation") on the other party. Notice of Mediation shall be personally delivered or sent by prepaid registered airmail or overnight courier, and shall be effective on receipt by the party to whom it is addressed. Notice to Arbonne must be addressed and delivered to the Chief Legal Officer or General Counsel at Arbonne's primary corporate offices in the United States. The Notice of Mediation shall be dated and shall specify the claims or issues that will be subjected to mediation, including the requested remedies sought in the mediation. The parties shall attempt, in good faith, to select a mutually acceptable mediator. The mediator shall be selected from the panel of mediators of Judicial Arbitration and Mediation Services, Inc. (JAMS) in Southern California or such panel of the mediators that the parties mutually agree in writing is appropriate. If the parties are unable to agree on a mediator, the parties shall request that JAMS submit a list of seven proposed mediators (the "Mediator List") to the parties. Within seven days after service of the Mediator List, each party shall submit a letter to JAMS that ranks four mediators on the Mediator List in order of preference and strikes the remaining three names. JAMS shall then select the mediator on the Mediator List with the highest combined ranking. The mediation shall take place in Orange County, California (or such other location as may be mutually agreed upon by the parties in writing) within 45 days after the selection of the mediator.

Further, the failure to pursue and/or complete mediation shall not relax or eliminate the requirement stated above in Section 9.4.1 above that a Demand for Arbitration must be filed and served within the one year period as to the Compensation and Refund Claims and it shall not toll, delay or extend the running of any other applicable statute of limitations as to any other claims.

The parties agree to share equally the costs of the mediator's fees and any other costs charged by JAMS in connection with the mediation. Each party shall individually bear their own other costs associated with the mediation, including but not limited to attorneys' fees, costs and travel expenses. The mediation, and any materials, briefs, statements, documents, or information exchanged at or in anticipation of the mediation, shall be kept confidential and shall not be admissible for any purpose in any legal proceeding.

### 9.4.3. ARBITRATION

If the Disputes cannot be resolved by mediation as set forth above, the parties agree that in order to promote to the fullest extent reasonably possible a mutually amicable resolution of the Dispute in a timely, efficient and cost-effective manner, they will waive their respective rights to a trial by jury and settle their dispute by submitting the controversy to binding arbitration in the county and state of the primary Arbonne corporate office in the United States, or at such other mutually convenient place as the parties may agree in writing, before one arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules & Procedures, or its equivalent rules and procedures in place at the time of arbitration ("JAMS Rules"), except that all parties shall be entitled to discovery rights as determined by the arbitrator, but no greater than provided by the Federal Rules of Procedures then in effect.

In order for a claim to be considered timely filed in arbitration, in addition to satisfying the one year period discussed in Section 9.4.1 above

as to Compensation and Refund claims and, as to any other claims, the applicable statute of limitations, a party must also file and serve a demand for arbitration (the "Demand for Arbitration") with JAMS no later than 60 days after the initial date of mediation. The method of such filing and service shall be in accordance with the JAMS Rules. The Demand for Arbitration shall be dated and shall specify the claims or issues which are to be subject to arbitration, including the requested remedies sought in the arbitration. Any answer or cross-complaint shall be served within the deadlines set forth in the JAMS Rules or, in the case of a responding Compensation and Refund Claim, within the thirty (30) day period specified above. A party may assert a claim or counterclaim only in that party's individual capacity and not as a plaintiff or class member in any purported class or representative proceeding. Notwithstanding anything to the contrary in the JAMS Rules, the arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding.

Upon service of the Demand for Arbitration, the parties shall attempt, in good faith, to select a mutually agreeable arbitrator from the JAMS Panel of Arbitrators. If the parties are unable to select and notify JAMS of a mutually acceptable arbitrator within 21 days after service of the Demand for Arbitration, the parties shall request that JAMS submit to the parties a list of seven proposed arbitrators. Within seven days of service of the Arbitrator List, each party shall submit a letter to JAMS ranking four arbitrators on the Arbitrator List in order of preference and striking the remaining three names. JAMS shall then select the arbitrator on the Arbitrator List with the highest combined ranking. JAMS shall notify the parties in writing once an arbitrator has been mutually selected or appointed from the Arbitrator List.

The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §1 et. seq., and the judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. Either party may elect to participate in the arbitration telephonically. Any substantive or procedural rights in any arbitration shall be governed by the law of the State of Delaware without giving effect to principles of conflicts of laws.

The parties further agree that (i) the arbitrator shall only reach his or her decision by applying strict rules of law to the facts presented at the arbitration; (ii) the arbitration shall be conducted in the English language; (iii) the party filing the Demand for Arbitration shall be responsible for the initial filing fees and costs charged by JAMS and the respondent shall be responsible for the filing fees of any Cross-Complaint that it files with JAMS; (iv) the parties shall share equally the costs of case management fees, arbitrator fees, arbitral forum fees and any other costs charged by JAMS in connection with the arbitration other than the filing fees referenced in sub-clause (iii) of this paragraph; (v) each party shall bear their own costs for attorney's fees, court reporter fees, transcript fees and other litigation costs that would otherwise be incurred in a court action; (vi) neither an Arbonne Independent Consultant nor Arbonne (nor any of its related entities, officers, directors, employees, investors, distributors or vendors) shall have any liability for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, or loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement or for any act, omission, or other conduct arising out of the parties' consulting relationship; and (vii) the arbitrator shall have the power to issue equitable relief, including, but not limited to, specific performance and injunctive relief.

Neither the Arbonne Independent Consultant nor Arbonne agree to any arbitration on a class or representative basis, and the arbitrator

shall have no authority to proceed on such a basis. Any arbitration of any claim will take place on an individual basis without resort to any form of class or representative action.

Except as provided below and as provided in sub-clause 9.4.1 relating to a dispute concerning the timeliness of a Demand for Arbitration, no party shall be entitled to commence or maintain any action in a court of law upon any matter in dispute until such matter shall have been submitted and determined as provided here and then only for the enforcement of such arbitration award. Notwithstanding this mediation and arbitration policy, either party may apply to a court of competent jurisdiction in the county and state of the primary Arbonne corporate office in the United States, or in any other competent jurisdiction as necessary to enforce an arbitration award or the injunctive relief granted by a court, or to seek a temporary restraining order or preliminary injunction to ensure that the relief sought in arbitration is not rendered ineffectual during the pendency of, or after the rendition of, a decision in any arbitration proceeding. The institution of any action for such equitable or provisional relief or to enforce an award or order shall not constitute a waiver of the right or obligation of any party to submit any claim seeking relief other than injunctive or enforcement relief to arbitration. Judgment upon the award may be entered by a trial court located in the county and state of the primary Arbonne corporate office in the United States, or application may be made to such court for the judicial acceptance of the award and order of enforcement, as the case may be, if the arbitrator's award or decision is not complied with within seven days of the arbitrator's decision.

The existence of any claim or cause of action of an Arbonne Independent Consultant against Arbonne whether predicated on the Independent Consultant Agreement or otherwise shall not constitute a defense to Arbonne's enforcement of an Arbonne independent consultant's covenants and agreements contained here or under the Agreement. This agreement to arbitrate shall survive any termination or expiration of any other agreements between the parties.

## **9.5. GOVERNING LAW, JURISDICTION AND VENUE**

JURISDICTION AND VENUE OF ANY OTHER MATTER OF DISPUTE NOT SUBJECT TO MEDIATION OR ARBITRATION SHALL RESIDE EXCLUSIVELY IN STATE OR FEDERAL COURTS WITHIN THE STATE OF CALIFORNIA. THE FEDERAL ARBITRATION ACT SHALL GOVERN ALL MATTERS RELATING TO ARBITRATION. THE LAW OF THE STATE OF DELAWARE SHALL GOVERN ALL OTHER MATTERS RELATING TO OR ARISING FROM THE AGREEMENT WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS.

## **SECTION 10 – INACTIVITY AND CANCELLATION**

### **10.1. EFFECT OF SUSPENSION OR TERMINATION**

An Arbonne Independent Consultant's bonuses and commissions constitute the entire consideration for the Arbonne Independent Consultant's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following an Arbonne Independent Consultant's non-renewal of his or her Agreement, cancellation of the Agreement for inactivity, or voluntary or involuntary cancellation of the Agreement (all of these methods are collectively referred to as "termination"), the former Arbonne Independent Consultant shall have no right, title, claim or interest to the SuccessLine which he or she operated, or any commission or bonus from the sales generated by the SuccessLine. An Arbonne Independent Consultant whose business is terminated will lose all rights as an Arbonne Independent Consultant and his or her Arbonne business will be canceled. This includes, but is not limited to, loss of the right to sell Arbonne products and services, to participate in Arbonne functions or



events, and to receive future commissions, bonuses, awards or other income resulting from the sales and other activities of the Arbonne Independent Consultant's former SuccessLine. Terminated Arbonne Independent Consultants have no right to compensation or damages from Arbonne. In the event of termination, Arbonne Independent Consultants agree to waive all rights they may have, including but not limited to, property rights, to their former SuccessLine and to any bonuses, commissions or other remuneration derived from the sales and/or other activities of his or her former SuccessLine. Following an Arbonne Independent Consultant's termination, Arbonne may, at its discretion, assign the former Arbonne Independent Consultant's SuccessLine to the next active upline Arbonne Independent Consultant.

Suspended Arbonne Independent Consultants are not permitted to attend Arbonne functions, engage in any Arbonne related activities, recruit Arbonne Independent Consultants, or sell Arbonne products so long as the suspension remains in effect, nor are they eligible to participate in the Arbonne compensation plan or receive commissions from Arbonne while the suspension is in effect. If an Arbonne Independent Consultant's Agreement is terminated following a suspension, the termination date is retroactive to the date of suspension, and the former Arbonne Independent Consultant shall have no right to recover commissions held during the suspension period. If Arbonne determines that it is appropriate to reinstate a suspended Arbonne Independent Consultant, Arbonne may, at its discretion, impose disciplinary sanctions as set forth in these Policies & Procedures as a condition of reinstating the suspended Arbonne Independent Consultant.

When termination occurs for any reason, an Arbonne Independent Consultant must wait 12 calendar months from the date of termination before reapplying as an Arbonne Independent Consultant. It is left to Arbonne's discretion whether to accept any individual who has previously been terminated. Suspension and termination are retroactive to the beginning of the calendar month in which the alleged wrongful conduct occurred for which the suspension is imposed by Arbonne. In addition to the indemnification obligations set forth in these Policies & Procedures, an Arbonne Independent Consultant who is involuntarily terminated for violation of the Agreement, or who voluntarily terminates his or her Agreement to avoid an involuntary termination or other disciplinary sanction, shall, upon demand by Arbonne, be liable to repay, return or compensate Arbonne for any benefit programs, prizes, incentives, commissions, bonuses or other remuneration received from Arbonne after the date of the activities causing such termination, as well as any other damages resulting to Arbonne from such conduct.

## 10.2. CANCELLATION FOR INACTIVITY

If an Arbonne Independent Consultant has not renewed his or her Agreement by the end of the 13th month since his or her initial registration or last renewal date, he or she will be canceled as an Arbonne Independent Consultant on the first business day of the 14th month. At this time, the former Arbonne Independent Consultant's Arbonne ID will be assigned to Client status, all rights as an Arbonne Independent Consultant are relinquished and any SuccessLine is assigned to the next active upline Arbonne Independent Consultant. After cancellation has occurred, the former Arbonne Independent Consultant will be eligible to submit a new Independent Consultant Application & Agreement; however, a former Arbonne Independent Consultant may not register under a different Sponsor unless he or she has been inactive (no personal product purchases or sales to Clients or Preferred Clients, no personal sponsoring of Arbonne Independent Consultants and no registering of Preferred Clients) during a six-calendar-month period. Any product purchases by a former Arbonne Independent Consultant as a Client or Preferred Client will not constitute activity for purposes of determining inactivity during the six-month period.

## 10.3. AGREEMENT TERMINABLE AT WILL

An Arbonne Independent Consultant may terminate his or her relationship with Arbonne at any time by providing a signed written notice to Arbonne. Arbonne also may terminate the relationship with an Arbonne Independent Consultant (including any partnerships, corporations or other entity) at any time by providing written notice. Arbonne Independent Consultants or Arbonne are not required to have any reason, nor do Arbonne Independent Consultants or Arbonne have to claim or prove any cause to terminate this relationship. If and when the relationship is terminated, Arbonne Independent Consultants shall have no claim against Arbonne nor any right to claim or collect lost profits, lost opportunities or any other damages. Termination will result in the loss of all benefits as an Arbonne Independent Consultant.

If an Arbonne Independent Consultant's relationship with Arbonne is terminated at his or her request, he or she may not re-enroll in Arbonne under a new Sponsor until six calendar months have elapsed from the date on which the relationship was terminated or the date on which the Arbonne Independent Consultant placed his or her last order with Arbonne, whichever is later. Arbonne reserves the right to reject any re-enrollment application. Arbonne makes no promises or assurances that the relationship with any Arbonne Independent Consultant will continue for any period or term.

## SECTION 11 – DEFINITIONS

**Agreement** — The contract between Arbonne and each Arbonne Independent Consultant, which includes the Independent Consultant Application & Agreement, the Arbonne Policies & Procedures, the Arbonne SuccessPlan, the Independent Consultant Code of Ethics, Arbonne's online Legal Terms & Conditions (for those who enroll or order products online), Arbonne's Privacy Policy on the website and the Business Entity Form (where appropriate), all in their current forms and as amended by Arbonne in its sole discretion. These documents are collectively referred to as the "Agreement."

**Arbonne Independent Consultant** — Any individual or entity who has submitted an Independent Consultant Application & Agreement that is accepted by Arbonne and who paid the initial Starter Kit Fee or an Annual Renewal Fee within the preceding 12 calendar months, regardless of the level the Arbonne Independent Consultant has achieved in the Arbonne SuccessPlan. Under this definition, the term Arbonne Independent Consultant refers to and includes Independent Consultants, Managers and Vice Presidents.

**Cancel** — The termination of an Arbonne Independent Consultant's business. Cancellation may be either voluntary, involuntary, through non-renewal or inactivity.

**Central Qualifying Volume** — The Qualifying Volume of Arbonne products sold by an Arbonne Independent Consultant's Central District, Area, Region or National sales organization. Central Qualifying Volume does include the Personal Qualifying Volume of the subject Arbonne Independent Consultant. Starter Kits and Business Aids do not have Qualifying Volume.

**Client** — An individual who purchases Arbonne products from an Arbonne Independent Consultant but who is not a participant in the Arbonne SuccessPlan. This includes Preferred Clients.

**Generation** — The layers of downline Arbonne Independent Consultants in a particular Arbonne Independent Consultant's SuccessLine organization. This term refers to the relationship of an Arbonne Independent Consultant relative to a particular upline Arbonne Independent Consultant, determined by the number of Arbonne Independent Consultants between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is A's fourth generation.

**Immediate Household** — An Immediate Household includes spouses, cohabitating couples, children under the age of 18 and relatives residing in the same dwelling. Also included in the definition are students attending boarding school or college who reside at school or college during the school year, but within the dwelling of their parents or other relatives during non-school periods. Persons such as roommates and tenants who are unrelated shall not fall within the definition of an Immediate Household and may each have their own Arbonne independent business.

**Preferred Client** — Preferred Clients register with Arbonne to purchase Arbonne products at a great value and participate in product promotions available to this special client base through the Preferred Client Program. Preferred Clients are not Arbonne Independent Consultants, and are not eligible to receive commissions or overrides, or sponsor others under the Arbonne SuccessPlan. Qualifying Volume/Retail Volume generated by sales by a Preferred Client is included in the Personal Qualifying Volume/Personal Retail Volume of the upline registering Arbonne Independent Consultant.

**Personal Qualifying Volume (PQV)** — The Qualifying Volume achieved personally by an Arbonne Independent Consultant in a calendar month, including Qualifying Volume from sales to his or her registered Clients and Preferred Clients and sales and purchases under an Arbonne Independent Consultant's own Arbonne ID.

**Personal Retail Volume (PRV)** — The retail value of products achieved by an Arbonne Independent Consultant in a calendar month, including Retail Volume from sales to his or her registered Clients and Preferred Clients and sales and purchases under an Arbonne Independent Consultant's own Arbonne ID.

**Pop-Up** — The method by which a vacancy in a SuccessLine left by an Arbonne Independent Consultant whose Arbonne Independent Consultant Agreement has been canceled is filled.

**Qualifying Volume (QV)** — Each Arbonne product carries a designated Qualifying Volume that is used to calculate qualifications, maintenance, product specials and campaign incentives. Starter Kits, Business Aids, Sample Packs and certain product specials have no Qualifying Volume.

**Rank** — The "title" that an Arbonne Independent Consultant has achieved pursuant to the Arbonne SuccessPlan.

**Recruit** — The term Recruit means actual or attempted solicitation, enrollment, encouragement, or effort to introduce or influence in any other way, either directly, indirectly or through a third party, another Arbonne Independent Consultant, Preferred Client or Client to enroll or participate in another direct selling, multilevel or network marketing (collectively "direct selling") company. Recruiting includes, but is not limited to, introducing another direct selling company to an Arbonne Independent Consultant via email or through a website. Indirect recruiting includes, but is not limited to, recruiting an Arbonne Independent Consultant's immediate household family members for another direct selling company.

**Re-saleable** — Products and Business Aids shall be deemed re-saleable if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) it is returned to Arbonne within one year from the date of purchase; 5) the product contains current Arbonne labeling. Any merchandise that is clearly identified at the time of sale as non-returnable, discontinued or as a seasonal item shall not be re-saleable.

**Retail Volume (RV)** — RV is the volume used to calculate overrides. All Arbonne products carry a designated RV value that Arbonne Independent Consultants earn through their purchase and sale of those products. Please note that Starter Kits, Business Aids, sample packs and product specials have no RV.

**Sponsor** — An Arbonne Independent Consultant who enrolls another Arbonne Independent Consultant into the Company, and is listed as the

Sponsor on the Independent Consultant Application & Agreement. The act of enrolling others and training them to become Arbonne Independent Consultants is called sponsoring.

**SuccessLine Activity Report** — Reports generated by Arbonne that provide critical data relating to the identities of Arbonne Independent Consultants sales information and sponsoring activity of each Arbonne Independent Consultant's SuccessLine. This report contains confidential and trade secret information, which is proprietary to Arbonne.

**SuccessLine Leg** — Each one of the individuals sponsored immediately underneath an Arbonne Independent Consultant and their respective SuccessLine organizations represents one leg in an Arbonne Independent Consultant's SuccessLine organization.

**SuccessPlan** — The compensation plan for Arbonne Independent Consultants.

**Suggested Retail Price (SRP)** — The price suggested by Arbonne for the sale of Arbonne products to Clients. Arbonne catalogues, websites and other product marketing materials state the SRP for each Arbonne product. Sales of products at SRP enable Arbonne Independent Consultants to earn a retail commission.

**Upline** — The Arbonne Independent Consultant(s) above a particular Arbonne Independent Consultant in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular Arbonne Independent Consultant to the Company

All currency is represented in U.S. dollars unless otherwise stated.

# Arbonne Independent Consultant Code of Ethics

As an Arbonne Independent Consultant:

- 1.** I will conduct myself with integrity and responsibility and will make the Golden Rule the cornerstone on which I build my business. I will read and adhere to the Code of Ethics of the Direct Selling Association available at [dsa.org](http://dsa.org).
- 2.** I will uphold the values of Arbonne and not engage in any deceptive, unlawful, or unethical consumer or recruiting practice that may be detrimental or reflect poorly on Arbonne, the network marketing industry or me. I will support and advocate the Policies & Procedures and also respect the spirit and intent in which they were written.
- 3.** I will familiarize myself with Arbonne's SuccessPlan and products and represent them to my Clients and prospective Arbonne Independent Consultants realistically and without misleading or providing false expectations. Any claims, representations or statements I make regarding Arbonne will be those included in the Arbonne literature.
- 4.** I will, to my best ability, accept and fulfill the responsibilities to train, motivate, support and encourage all in my SuccessLine. I will treat my business like any other prestigious enterprise and will fulfill commitments I make to my Clients, fellow Arbonne Independent Consultants and associates.
- 5.** I will not advise or encourage excessive buying at unrealistic levels. I will not inventory load, nor bonus buy.
- 6.** I will convey the Arbonne opportunity to prospects with honesty and integrity and I will not misrepresent actual or potential sales or earnings. I realize that each individual's success is accomplished through their individual efforts.
- 7.** I will make courteous and prompt exchanges and/or refunds to my Clients and I will assist my Clients who have ordered product directly from Arbonne International.
- 8.** I will maintain a basic loyalty and professionalism to the network marketing industry as a whole and will not engage in unwarranted criticism of other network marketing companies.
- 9.** I will abide by local, state and federal laws that govern my independent business. I understand that it is my responsibility to comply with these laws, the laws of my industry and with Arbonne's Policies & Procedures as they may be amended from time to time.
- 10.** I will uphold this Code of Ethics and I recognize that its success will require diligence to create an awareness among all Arbonne's Independent Consultants. I will not, in any way, attempt to persuade, induce or coerce another party to breach this Code. Any such action is considered a violation of this Code and thereby a violation of Arbonne's Policies & Procedures.



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