



POLICIES & PROCEDURES

Compliance Department

Please review the information in these Policies and Procedures carefully. This document is intended to explain and govern (in conjunction with other contracts) the relationship between Independent Business Owners and Common Sense Wellness Worldwide. Any questions regarding any policy or rule should be directed to Common Sense Wellness Worldwide.

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COMMON SENSE WELLNESS WORLDWIDE POLICIES & PROCEDURES FOR INDEPENDENT BUSINESS OWNERS

**Note Related to Defined Terms: Defined terms are utilized throughout these Policies and Procedures. Many terms are defined in Schedule 1, and others are defined in the sections where they are most utilized. For ease of understanding we recommend that you print Schedule 1 so that as you review these Policies and Procedures the definitions for those terms are easily accessible. Additionally, we recommend you utilize the "search" function of your software application to locate terms within the document that you are unfamiliar with. If you search for the term with quotation marks around it your software application should display the portion of the text where the relevant term is defined.*

1. **PURPOSES OF POLICIES & PROCEDURES.** Common Sense Wellness Worldwide, LLC, a Texas limited liability company ("**Common Sense Wellness Worldwide**") has developed the following guidelines to assist in the success of Common Sense Wellness Worldwide and its Independent Business Owners. These Policies and Procedures are intended to provide the following benefits:

(a) Protect the rights of all Independent Business Owners by providing a framework within which each Independent Business Owner may work in an ethical, effective and secure manner;

(b) Provide an equal and level playing field of opportunity to all Independent Business Owners;

(c) Define the contractual relationship between Common Sense Wellness Worldwide and Independent Business Owners; and

(d) Inform Independent Business Owners regarding compliance issues and regulatory requirements. Common Sense Wellness Worldwide requires that all Independent Business Owners understand and abide by these Policies and Procedures as we work together in marketing and selling the Products.

2. **INTRODUCTION**

2.1 ***Policies and Procedures Plan Incorporated into Independent Business Owner Agreement.*** These Policies and Procedures, in their present form and as amended (which may occur at any time at the sole discretion of Common Sense Wellness Worldwide, following notice to Independent Business Owners), are incorporated into, and form an integral part of, Common Sense Wellness Worldwide's agreement with each Independent Business Owner. As stated in Schedule 1, when the term "**Agreement**" is used in these Policies and Procedures, such term collectively refers to the Application, these Policies and Procedures, the Terms and Conditions, the Common Sense Wellness Worldwide Compensation Plan (the "**Compensation Plan**"), the Common Sense Wellness Worldwide Business Entity Form (if applicable), and any other contract or policy by and between Common Sense Wellness Worldwide and an Independent Business Owner. These Policies and Procedures are hereby incorporated by reference into the Agreement. It is the responsibility of each Independent Business Owner to read, understand, adhere to, and ensure that they are aware of and operating under the most current version of these Policies and Procedures. When enrolling a new Independent Business Owner, it is the responsibility of the Sponsor to provide the most current version of these Policies and Procedures and the Compensation Plan to the applicant prior to the execution of the Application.



2.2 Purpose of Policies & Procedures. Common Sense Wellness Worldwide is a direct sales company that markets Products. It is important that all Independent Business Owners understand that their success is dependent upon the integrity of everyone who markets, sells, and distributes Products. To clearly define the relationship that exists between Independent Business Owners and Common Sense Wellness Worldwide, and to explicitly set standards for acceptable business conduct, Common Sense Wellness Worldwide has established the Agreement. Independent Business Owners are required to comply with all of the Terms and Conditions, as well as all federal, state, and local laws governing their business and their conduct. It is very important that all Independent Business Owners read and strictly abide by the Agreement.

2.3 Changes to the Agreement. Because federal, state, and local laws, as well as the business environment periodically change, Common Sense Wellness Worldwide reserves the right to amend the Agreement (including the Independent Business Owner Enrollment Form, Terms and Conditions, Policies and Procedures and Compensation Plan) and its prices, in its sole and absolute discretion. Common Sense Wellness Worldwide shall provide or make available to all Independent Business Owners a complete copy of the amended provisions by one or more of the following methods: (i) posting on Common Sense Wellness Worldwide's official website; (ii) electronic mail (e-mail); (iii) fax-on-demand; (iv) voice mail system broadcast; (v) inclusion in official periodicals; (vi) inclusion in Product orders; or (vii) special mailings. The most current and only definitive version will be located at www.commonseweww.com. It is the responsibility of all Independent Business Owners to regularly review information provided at www.commonseweww.com for the most recently published amendment(s) to these Policies and Procedures. Unless otherwise provided, amendments shall be effective upon publication on Common Sense Wellness Worldwide's website. Once the amendment(s) are published, the Independent Business Owner(s) can elect to accept the amendment(s) or reject them. If the Independent Business Owner rejects them, their Agreement will terminate at the end of its then-current term and will not be renewed. If the Independent Business Owner continues to Enroll and/or accept compensation and/or rebates from Common Sense Wellness Worldwide, such actions shall be deemed acceptance of the amendments.

3. BECOMING AN INDEPENDENT BUSINESS OWNER

3.1 Rules of Conduct. Each Independent Business Owner promises to:

- (a) Handle themselves and their business dealings honestly, morally, and legally;
- (b) Keep their activities honorable to reflect well of themselves and of Common Sense Wellness Worldwide;
- (c) Speak well of Common Sense Wellness Worldwide, as well as competitors, and promote the wellness industry generally;
- (d) Honestly present each Product based upon what is set forth in the Official Common Sense Wellness Worldwide Materials, including references to health claims and benefits;
- (e) Explain the Compensation Plan honestly and completely, as set forth in the Official Common Sense Wellness Worldwide Materials;
- (f) Respect the privacy of others and keep their personal earnings and the earnings of others private;
- (g) Take Sponsor and Upline responsibilities seriously including readily training, aiding, and supporting those in their Downline;



- (h) Abide by the relevant Product guarantee and return policies for themselves and for their customers;
- (i) Respect the professional relationships between Common Sense Wellness Worldwide and any of its advisors, endorsers or affiliates by speaking of them appropriately as set forth in the Agreement, and refraining from making contact with them;
- (j) Direct all media inquiries to Common Sense Wellness Worldwide Compliance Department;
- (k) Maintain a healthy distance between other Sponsors and their Downlines to avoid a conflict of interest;
- (l) Strictly adhere to Terms and Conditions; and
- (m) Conduct their business professionally in order to help protect the opportunities for all.

3.2 **Requirements to Become an Independent Business Owner.** To become an Independent Business Owner, each applicant must:

- (a) Be a minimum of 18 years of age, or 16 years of age with a parent/guardian on the account as a signer;
- (b) Have a valid Social Security or federal Tax ID number;
- (c) Submit a properly completed and signed Application¹; and
- (d) Purchase either a Pack or a Business Kit (this obligation is not applicable to residents of North Dakota and any other state or country that specifically restricts such obligations).

3.3 **New Independent Business Owner Registration by Phone, Fax or Internet.** In addition to registering online or with a paper hard copy Application, a potential new Independent Business Owner may call Common Sense Wellness Worldwide customer service during regular business hours to receive a temporary Independent Business Owner number (an **"IBO Number"**) and temporary authorization for a new Independent Business Owner. The potential new Independent Business Owner must be able to provide all information related to the Agreement over the telephone. For telephone applications, until Common Sense Wellness Worldwide has received the hard copy with all current information from the Independent Business Owner (by fax or mail), the Independent Business Owner's account will be on a hold basis and not allowed to receive compensation pursuant to the Agreement.

A new Independent Business Owner's IBO Number and authorization will be valid for thirty (30) days following issuance, pending receipt of the completed and signed original Application by Common Sense Wellness Worldwide. Once the original Application is received and accepted by Common Sense Wellness Worldwide, the Agreement will be extended to one (1) full year from the date on which the IBO Number was issued. If the new Application is not received and accepted within the temporary 30-day time period, the temporary authorization shall expire, the IBO Number will be canceled, and the Application will be automatically terminated. An applicant may also register by faxing a properly completed Application to Common Sense Wellness Worldwide.

¹ Common Sense Wellness Worldwide reserves the right to reject any applications for a new Independent Business Owner or applications for renewal. The Independent Business Owner Agreement is effective upon acceptance of the Agreement by Common Sense Wellness Worldwide.



3.4 **Renewal of a Common Sense Wellness Worldwide Business.** The term of the Independent Business Owner Agreement is one (1) year from the date of the issuance of the IBO Number. A business renewal fee of \$49.95 will be required and billed each successive year on the yearly anniversary date of the issuance of the IBO Number. Once the annual business renewal fee has been collected, the Agreement will be renewed provided the Independent Business Owner is in good standing and the Agreement has not been cancelled as provided herein.

4. OPERATING A COMMON SENSE WELLNESS WORLDWIDE BUSINESS

4.1 **Adherence to the Compensation Plan.** Independent Business Owners must adhere to the terms of the Compensation Plan as set forth in the Official Common Sense Wellness Worldwide Materials. Independent Business Owners shall not offer the Common Sense Wellness Worldwide opportunity through, or in combination with, any other system, program or method of marketing other than that specifically set forth in the Official Common Sense Wellness Worldwide Materials. Independent Business Owners shall not require or encourage other current or prospective Independent Business Owners to participate in Common Sense Wellness Worldwide in any manner that varies from the program as set forth in the Official Common Sense Wellness Worldwide Materials. Independent Business Owners shall not require or encourage other current or prospective Independent Business Owners to execute any agreement or contract other than official Common Sense Wellness Worldwide agreements and contracts in order to become a Common Sense Wellness Worldwide Independent Business Owner. Similarly, Independent Business Owners shall not require or encourage other current or prospective Independent Business Owners to make any purchase from, or payment to, any individual or other entity to participate in the Compensation Plan other than those purchases or payments identified as recommended or required in the Official Common Sense Wellness Worldwide Materials.

4.2 **Business Entities.** A corporation, limited liability company, partnership or trust (collectively referred to herein as a "**Business Entity**") may apply to be a Common Sense Wellness Worldwide Independent Business Owner by submitting a copy of its organizational documents to Common Sense Wellness Worldwide, along with a properly completed registration form. However, as stated in Schedule 1, the use of a Business Entity shall not limit Common Sense Wellness Worldwide's recourse against the equity holders of such Business Entity for violations of the Agreement. If an Independent Business Owner enrolls online, all required documents and registration form must be submitted to Common Sense Wellness Worldwide within thirty (30) days of the online enrollment. If such are not received within the 30-day period, the Independent Business Owner Agreement shall automatically terminate. An Independent Business Owner may change its status under the same Sponsor from an individual to a Business Entity, or from one type of Business Entity to another, by requesting a Name Change Request Form from the Common Sense Wellness Worldwide Compliance Department. The registration form must be signed by all of the shareholders, partners, trustees, members or owners. Members of the entity are jointly and severally liable for any indebtedness or other obligation to Common Sense Wellness Worldwide pursuant to the Agreement.

4.3 **Minors.** Other than as stated herein, a person who is recognized as a minor in his or her state of residence is not eligible to become an Independent Business Owner. Independent Business Owners shall not enroll or recruit minors into the Common Sense Wellness Worldwide program.

4.4 **Number of Common Sense Wellness Worldwide Businesses.** Husbands and wives, or common-law couples (collectively "**spouses**"), may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, member, owner, or beneficiary in only one (1) Common Sense Wellness Worldwide business. Dependent children, eighteen (18) or over, living at the same address may own one (1) Common Sense



Wellness Worldwide business. The maximum number of Independent Business Owners in a single household is two (2).

4.5 *Actions of Household Members or Affiliated Individuals.* If any member of an Independent Business Owner's Immediate Household engages in any activity which, if performed by the Independent Business Owner, would violate any provision of the Agreement, such activity will be deemed a violation by the Independent Business Owner and Common Sense Wellness Worldwide may take disciplinary action pursuant to the Policies and Procedures against the Independent Business Owner. Similarly, if any individual associated in any way with a Business Entity that is an Independent Business Owner (collectively "***affiliated individual***") violates the Agreement, such action(s) will be deemed a violation by such Business Entity, and Common Sense Wellness Worldwide may take disciplinary action against the Business Entity.

4.6 *Independent Contractor Status.* Independent Business Owners are independent contractors, and are not purchasers of a franchise or a business opportunity. The Agreement does not create an employer/employee relationship, agency, partnership, or joint venture between Common Sense Wellness Worldwide and an Independent Business Owner.

4.7 *Sponsoring/Placing.* All Active Independent Business Owners in good standing have the right to sponsor and place others into Common Sense Wellness Worldwide. Each prospective Retail Customer, Preferred Customer, or Independent Business Owner has the ultimate right to choose its own Sponsor and Placement. If two (2) Independent Business Owners claim to be the Sponsor and/or Placement (immediate Upline) of the same new Independent Business Owner, Preferred Customer or Retail Customer, Common Sense Wellness Worldwide shall presume the first application received by Common Sense Wellness Worldwide as controlling.

4.8 *Changes to a Common Sense Wellness Worldwide Business*

4.8.1 *General.* Each Independent Business Owner must immediately notify Common Sense Wellness Worldwide of all changes to the information contained on its Application. Independent Business Owners may modify their existing Independent Business Owner Agreement (i.e., change Social Security number to federal Tax ID number, or change the form of ownership from an individual proprietorship to a Business Entity owned by the Independent Business Owner) by submitting a written request for a Name Change Request Form, a properly executed Application, and appropriate supporting documentation.

4.8.2 *Addition of Co-Applicants.* When adding a co-applicant (either an individual or a Business Entity) to an existing Common Sense Wellness Worldwide business, Common Sense Wellness Worldwide requires a written request as well as a properly completed Application containing the applicant and co-applicant's Social Security numbers (or federal Tax ID numbers) and signatures. To prevent the circumvention of Section 4.10 (regarding transfers and assignments of a Common Sense Wellness Worldwide business), the original applicant must remain as a party to the original Application. If the original Independent Business Owner wants to terminate its relationship with Common Sense Wellness Worldwide, it must transfer or assign the Common Sense Wellness Worldwide business in accordance with Section 4.10. If this process is not followed, the Common Sense Wellness Worldwide business may be canceled by Common Sense Wellness Worldwide upon the withdrawal of the original Independent Business Owner. All compensation due to such Independent Business Owner pursuant to the Agreement will be sent to the address of record of the original Independent Business Owner. Please note that the modifications permitted within the scope of this Section do not include a change of Sponsor/Placement. Changes of Sponsor/Placement are addressed in Section 4.8.3, below. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Application.



4.8.3 *Change of Sponsor/Placement and Transfers.* To protect the integrity of all Marketing Organizations and safeguard the hard work of all Independent Business Owners, Common Sense Wellness Worldwide strongly discourages changes in Placement. Maintaining the integrity of Placement is critical for the success of every Independent Business Owner and Marketing Organization. Accordingly, the transfer of a Common Sense Wellness Worldwide business from one Sponsor to another is rarely permitted. Requests for a change must be submitted by contacting the Common Sense Wellness Worldwide Compliance Department, and must include the reason for the change. If the change is approved, only one (1) change will be allowed per Placement and Sponsor. Transfers will only be considered in the following circumstances:

4.8.3.1 In cases involving fraudulent inducement or unethical Placement, an Independent Business Owner may request to be transferred to another organization with its entire Marketing Organization intact. All requests for transfer alleging fraudulent enrollment practices shall be evaluated on a case-by-case basis.

4.8.3.2 An Independent Business Owner seeking to transfer submits a properly completed and fully executed Sponsor Change Request Form, which includes the written approval of the relevant Sponsor and immediate five (5) Upline Independent Business Owners. Photocopied or facsimile signatures are not acceptable. An Independent Business Owner who requests the transfer must submit a fee of \$25.00 for administrative charges and data processing. If the transferring Independent Business Owner also wants to move any of the Independent Business Owners in its Marketing Organization, each Downline Independent Business Owner must obtain a properly completed Sponsor Change Request Form and return it to Common Sense Wellness Worldwide with the \$25.00 change fee (i.e., the transferring Independent Business Owner and each Independent Business Owner in its Marketing Organization multiplied by \$25.00 is the cost to move a Common Sense Wellness Worldwide organization). Downline Independent Business Owners will not be moved with the transferring Independent Business Owner unless all of the requirements of this Section are met. Transferring Independent Business Owners must allow thirty (30) days after the receipt of the Sponsor Change Request Form by Common Sense Wellness Worldwide for processing and verifying change requests.

4.8.3.3 New enrollees that have not been placed under a particular Placement at the time of enrollment will, by default, be placed Front Line (defined below) to their Sponsor. If a Placement has not been selected by the end of the first thirty (30) days of enrollment, then such shall occur automatically within the Sponsor's Marketing Organization, and changes thereafter must be made in accordance with Section 4.8.3.

4.8.3.4 A Sponsor may conditionally place a new Independent Business Owner within their Marketing Organization. The Sponsor may withdraw its original Placement of a new Independent Business Owner as long as the request occurs within thirty (30) days of the original Placement. If a new Independent Business Owner has been placed and a request to withdraw the Placement occurs, the new Independent Business Owner may only be placed one (1) additional time. Requests for a change must be submitted by contacting the Compliance Department and must include the reason for the change.

4.8.4 *Cancellation and Re-application.* An Independent Business Owner may change Marketing Organizations by voluntarily canceling its Common Sense Wellness Worldwide business and remaining inactive (i.e., no purchases of Products for resale, no sales of Products, no enrolling, no attendance at any Common Sense Wellness Worldwide functions, no participation in any other form of Independent Business Owner activity or operation of any other Common Sense Wellness Worldwide business) for six (6) full calendar months. Following the six-month period of inactivity, the former Independent Business Owner may reapply under a new Sponsor. Common Sense Wellness Worldwide will consider waiving the six-month waiting period under exceptional circumstances. Such requests for waiver must be submitted to Common Sense Wellness Worldwide in writing.



4.8.5 *Timing of Changes.* Common Sense Wellness Worldwide may, at its discretion, require notarized documents before implementing any changes to a Common Sense Wellness Worldwide business. Please allow thirty (30) days after the receipt of the request by Common Sense Wellness Worldwide for processing.

4.9 *Roll-up of Marketing Organization.* When a vacancy occurs in a Marketing Organization due to the termination of a Common Sense Wellness Worldwide business, each Independent Business Owner in the first Level immediately below the terminated Independent Business Owner on the date of the Cancellation will be moved to the first Level ("**Front Line**") of the terminated Independent Business Owner's Placement (compresses up one (1) Level within the Placement hierarchy).

4.10 *Sale, Transfer or Assignment of a Common Sense Wellness Worldwide Business.* Although a Common Sense Wellness Worldwide business is a privately owned, independently operated business, the sale, transfer or assignment of a Common Sense Wellness Worldwide business is subject to certain limitations. If an Independent Business Owner wishes to sell its Common Sense Wellness Worldwide business, the following criteria must be met:

(a) If the buyer is an Active Independent Business Owner, it must first terminate its Common Sense Wellness Worldwide business simultaneously with the purchase, transfer, assignment or acquisition of any interest in the new Common Sense Wellness Worldwide business;

(b) The transaction must be approved in writing by Common Sense Wellness Worldwide;

(c) The selling Independent Business Owner must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a Common Sense Wellness Worldwide business;

(d) Prior to selling a Common Sense Wellness Worldwide business, the selling Independent Business Owner must notify Common Sense Wellness Worldwide, in writing, of its intent to sell the Common Sense Wellness Worldwide business. No changes in line of enrollment can result from the sale or transfer of a Common Sense Wellness Worldwide business; and

(e) The selling Independent Business Owner must wait a period of six (6) months from the date of the sale, transfer or assignment of their Common Sense Wellness Worldwide business before it will be eligible to enroll again as an Independent Business Owner.

4.11 *Separation of a Common Sense Wellness Worldwide Business.* Spouses sometimes operate their Common Sense Wellness Worldwide businesses through the use of a Business Entity. At such time as a marriage ends, or a Business Entity dissolves, arrangements must be made to ensure that any separation or division of the Common Sense Wellness Worldwide business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of Placement. If the separating parties fail to provide for the best interests of other Independent Business Owners and Common Sense Wellness Worldwide, Common Sense Wellness Worldwide may involuntarily terminate the Independent Business Owner Agreement and Roll-Up the entire Marketing Organization pursuant to Section 4.9. Under no circumstances will the Downline of divorcing spouses or a dissolving Business Entity be divided. Similarly, under no circumstances will Common Sense Wellness Worldwide split compensation payment between divorcing spouses or members of dissolving Business Entities. Common Sense Wellness Worldwide will recognize only one (1) Downline and will issue only one (1) compensation payment per Common Sense Wellness Worldwide business per Compensation cycle. Compensation earnings shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of Compensation and ownership of the business,



Compensation will continue to be paid to the primary member on the account. If a former spouse or a former Business Entity affiliate has completely relinquished all rights in their original Common Sense Wellness Worldwide business, they are thereafter free to enroll under any Sponsor of their choosing for so long as they meet the waiting period requirements set forth in Section 4.8.4. In such case, however, the former spouse or partner shall have no rights to any Independent Business Owners in their former organization or to any former Retail Customer. Such former spouse or partner must develop the new Common Sense Wellness Worldwide business in the same manner as would any other new Independent Business Owner.

4.12 Succession. Upon the death or incapacitation of an Independent Business Owner, his or her Common Sense Wellness Worldwide business may be passed to his or her heirs. Appropriate legal documentation must be submitted to Common Sense Wellness Worldwide to ensure the transfer is proper. Accordingly, an Independent Business Owner should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a Common Sense Wellness Worldwide business is transferred by a will or other testamentary process, the legal successor in interest acquires the right to collect Compensation (as defined in Section 12) of the deceased Independent Business Owner's Marketing Organization, provided the following qualifications are met. The successor(s) must:

- (a) Execute an Application;
- (b) Comply with Terms and Conditions; and
- (c) Meet all of the qualifications for the deceased Independent Business Owner's status.

Rights to Compensation transferred pursuant to this Section will be paid in a single check jointly to the legal successor(s) in interest. Such successor(s) must provide Common Sense Wellness Worldwide with an "address of record" to which all Compensation will be sent. If the business is bequeathed to multiple legal successors-in-interest, they must form a business entity and acquire a federal taxpayer identification number. Common Sense Wellness Worldwide will issue all Compensation and a Form 1099 to such Business Entity.

4.13 Transfer upon Death of an Independent Business Owner. To effect a testamentary transfer of a Common Sense Wellness Worldwide business, the successor must provide the following to Common Sense Wellness Worldwide: (i) an original death certificate; (ii) a notarized copy of the will or other instrument establishing the successor's right to the Common Sense Wellness Worldwide business; and (iii) a completed and executed Independent Business Owner Agreement. If the successor-in-interest is already an Independent Business Owner, Common Sense Wellness Worldwide may grant exception to the one (1) Independent Business Owner per household rule upon written request from such successor-in-interest.

4.14 Transfer upon Incapacitation of an Independent Business Owner. To effect a transfer of a Common Sense Wellness Worldwide business because of incapacity, a legally appointed representative must provide the following to Common Sense Wellness Worldwide: (i) a notarized copy of an appointment as trustee or other legally appointed representative; (ii) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the relevant Common Sense Wellness Worldwide business; and (iii) a completed Application executed by such trustee.

4.15 Errors or Questions. If an Independent Business Owner has questions about or believes any errors have been made regarding Compensation, Downline Activity Reports, or charges, the Independent Business Owner must notify Common Sense Wellness Worldwide in writing within sixty (60) days of the date of the purported error



or incident in question. Common Sense Wellness Worldwide shall not be liable for any errors, omissions or problems not reported to Common Sense Wellness Worldwide within said 60-day period.

5. RESPONSIBILITIES OF INDEPENDENT BUSINESS OWNERS

5.1 ***Change of Address or Telephone.*** To ensure timely delivery of Products, support materials, and Compensation, it is critically important that Common Sense Wellness Worldwide's files are current. Street addresses are required for shipping since some mail carriers are unable to deliver to a post office box. Independent Business Owners planning to move should send any change of address or telephone number to Common Sense Wellness Worldwide's Corporate Offices Attention: Customer Service Department, not less than thirty (30) days prior to the date the move will occur. If an Independent Business Owner is presently on the Loyalty Order program, the Loyalty Order will automatically be updated to the new address. If more than one change of address notice or Loyalty Order Agreement has been submitted to Common Sense Wellness Worldwide, the most recent one will supersede previous notices or Agreements. Please allow thirty (30) days after the receipt of the notice or Agreement by Common Sense Wellness Worldwide for processing.

5.2 ***Continuing Development Obligations***

5.2.1 ***Ongoing Training.*** The Independent Business Owner who enrolls a new Independent Business Owner in their Marketing Organization (the "***Sponsor***") must perform a bona fide assistance and training function to ensure that its Downline is properly operating a Common Sense Wellness Worldwide business. Independent Business Owners must have ongoing contact and communication with the Independent Business Owners in their Downline. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of Downline Independent Business Owners to Common Sense Wellness Worldwide meetings, training sessions, and other functions. Upline Independent Business Owners (a "***Placement***" or collectively, the "***Placements***") are also responsible to motivate and train new Independent Business Owners in Common Sense Wellness Worldwide Product knowledge, effective sales techniques, the Compensation Plan, and compliance with the Policies and Procedures and Terms and Conditions. Communication with and the training of Downline Independent Business Owners must not, however, violate Section 8.1. Independent Business Owners must monitor the Independent Business Owners in their Downline to ensure that Downline Independent Business Owners do not make improper Product or business claims or engage in any illegal or inappropriate conduct. Upon request by Common Sense Wellness Worldwide, every Independent Business Owner should be able to provide documented evidence to Common Sense Wellness Worldwide of its ongoing fulfillment of the responsibilities of a Sponsor.

5.2.2 ***Increased Training Responsibilities.*** As Independent Business Owners progress through the various levels of leadership, they will become more experienced in sales techniques, Product knowledge, and understanding of the Common Sense Wellness Worldwide program. They will be called upon to share this knowledge with lesser-experienced Independent Business Owners within their Marketing Organization.

5.2.3 ***Ongoing Sales Responsibilities.*** Regardless of their level of achievement, Independent Business Owners have an ongoing obligation to continue to personally promote sales through: (i) the generation of new customers; (ii) providing customer service to their existing customers; and (iii) and through sales to Retail Customers who are not Independent Business Owners.

5.3 ***General Non-Disparagement Obligations.*** Common Sense Wellness Worldwide wants to provide Independent Business Owners with the best products, compensation plan and service in the industry. Accordingly, Common Sense Wellness Worldwide values constructive criticisms and comments. All such comments should be



submitted in writing to the Customer Services Department. Independent Business Owners should not disparage, demean, or make negative remarks about Common Sense Wellness Worldwide, other Independent Business Owners, Products, the Compensation Plan, or Common Sense Wellness Worldwide's directors, officers, or employees.

Verbal abuse in any form will not be tolerated by Common Sense Wellness Worldwide and such is grounds for termination of the Agreement by Common Sense Wellness Worldwide. Any Independent Business Owner who believes they have been abused should report the alleged abuse immediately to Common Sense Wellness Worldwide in writing. If the abuse is proven, the Independent Business Owner who endured the abuse may request a change of Placement, if relevant.

Any retaliation against an Independent Business Owner who has demonstrated verbal abuse with documented proof and has requested a transfer of Placement away from a perpetrator of same, is grounds for immediate Cancellation. Also, any false allegations towards another Independent Business Owner are also grounds for immediate Cancellation.

5.4 *Providing Documentation to Applicants.* A Sponsor must provide the most current version of the Policies and Procedures and the Compensation Plan to the individual(s) whom he or she is enrolling to become an Independent Business Owner before the applicant signs an Independent Business Owner Agreement. Additional copies of Policies and Procedures can be acquired from Common Sense Wellness Worldwide or found on the Common Sense Wellness Worldwide website.

5.5 *Reporting Policy Violations.* Independent Business Owners observing a policy violation by another Independent Business Owner should submit a written report of the violation directly to the attention of the Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

5.6 *Company Claims.* No claims may be made or implied that any Independent Business Owner has advantages with or special privileges with Common Sense Wellness Worldwide or is in any way exempt from the same obligations and requirements of every other Common Sense Wellness Worldwide Independent Business Owner.

6. *CONFLICTS OF INTEREST.* Independent Business Owners may participate in other direct selling or network marketing or multi-level marketing ventures (collectively "***Network Marketing Ventures***"), and Independent Business Owners may engage in selling activities related to non-Common Sense Wellness Worldwide products and services if they desire to do so. If an Independent Business Owner elects to participate in another Network Marketing Venture, in order to avoid conflicts of interest and loyalties, Independent Business Owners must adhere to the following:

6.1 *Non-solicitation.* During the term of the Agreement, an Independent Business Owner shall not engage in any actual or attempted Recruitment or enrollment of Independent Business Owners for other Network Marketing Venture, either directly or through a third-party. This includes, but is not limited to, presenting or assisting in the presentation of another Network Marketing Venture to any Common Sense Wellness Worldwide Independent Business Owner, or implicitly or explicitly encouraging any Common Sense Wellness Worldwide Independent Business Owner to join other Network Marketing Venture.



6.1.1 For a period of two (2) years following the termination of the Agreement, the former Independent Business Owner is prohibited from recruiting any Independent Business Owner, Preferred Customer or Retail Customer for another Network Marketing Venture.

6.1.2 During the term of the Agreement, an Independent Business Owner may not:

(a) Produce, offer or transfer any literature, social media content, CDs, DVDs or other promotional material of any nature for another Network Marketing Venture which is used by the Independent Business Owner or any third person to recruit Independent Business Owners, Preferred Customers or Retail Customers for that Network Marketing Venture;

(b) Sell, offer to sell, or promote any competing non-Common Sense Wellness Worldwide products or services to Independent Business Owners, Preferred Customers or Retail Customers (any product in the same generic product category as a Product is deemed to be competing; e.g., any nutritional supplement is in the same generic category as Common Sense Wellness Worldwide's nutritional supplements, and is therefore a competing product, regardless of differences in cost, quality, ingredients or nutrient content);

(c) Offer Products or promote the Compensation Plan in conjunction with any non-Common Sense Wellness Worldwide products, services, business plan, opportunity, or incentive; or

(d) Offer any non-Common Sense Wellness Worldwide products, services, business plan, opportunity, or incentive at any Common Sense Wellness Worldwide meeting, seminar, launch, convention, or other Common Sense Wellness Worldwide function, or immediately following such event.

6.2 **Targeting Other Direct Sellers.** Common Sense Wellness Worldwide does not encourage Independent Business Owners to target the sales force of other Network Marketing Ventures to sell Products or to become Independent Business Owners, nor does Common Sense Wellness Worldwide encourage Independent Business Owners to solicit or entice members of the sales force of other Network Marketing Ventures to violate the terms of their contracts with such other Network Marketing Ventures.

6.3 **Cross Placement.** Actual or attempted Cross Placement is strictly prohibited. "**Cross Placement**" means the enrollment of an individual or entity which already has a current Preferred Customer, Retail Customer or Independent Business Owner Agreement on file with Common Sense Wellness Worldwide, or which has had such an agreement within the preceding six (6) calendar months, within a different line of Placement. The use of a spouse's or relative's name, trade names, DBAs, assumed names, Business Entities, federal ID numbers, or fictitious ID numbers to circumvent this policy is strictly prohibited. Specifically, Independent Business Owners shall not demean, discredit or defame other Independent Business Owners in an attempt to entice another Independent Business Owner to become part of the first Independent Business Owner's Marketing Organization. This policy shall not prohibit the transfer of a Common Sense Wellness Worldwide business in accordance with Section 4.10. If Cross Placement is discovered, it must be brought to Common Sense Wellness Worldwide's attention immediately. Common Sense Wellness Worldwide may take action against the Independent Business Owner who changed organizations and/or those Independent Business Owners who encouraged or participated in the Cross Placement. Common Sense Wellness Worldwide may also move all or part of the offending Independent Business Owner's Downline to its original Marketing Organization if Common Sense Wellness Worldwide deems it equitable and feasible to do so (in its sole discretion). However, Common Sense Wellness Worldwide is under no obligation to move the Cross-Placement Independent Business Owner's Downline organization, and the ultimate disposition of the Marketing Organization remains within the sole discretion of Common Sense Wellness Worldwide. Independent Business Owners waive all claims and causes of action against Common Sense Wellness Worldwide



arising from or relating to the disposition of the Cross-Placement Independent Business Owner's Downline organization.

6.4 **Holding Applications or Orders.** Independent Business Owners must not manipulate enrollments of new applicants and purchases of Products. All Independent Business Owner Applications, Agreements, and Product orders must be sent to Common Sense Wellness Worldwide within two (2) business days from the time they are signed by an Independent Business Owner or placed by a Retail Customer, respectively.

6.5 **Stacking.** Stacking is strictly prohibited. "**Stacking**" means: (a) the failure to transmit to Common Sense Wellness Worldwide or the holding of an Application in excess of two (2) business days after its execution; (b) violating the maximum Independent Business Owner per household rule(s); and/or (c) enrolling fictitious individuals or entities into the Compensation Plan.

7. GENERAL COMMUNICATION & CONFIDENTIALITY OBLIGATIONS

7.1 **General Confidentiality Obligations.** Each Independent Business Owner agrees:

(a) to maintain the Confidential Information in strict confidence and to protect Confidential Information received pursuant to the Agreement by using the same standard of care which it uses to protect and safeguard its own Confidential Information of a like nature, but no less than a reasonable degree of care, to prevent the unauthorized use, disclosure, dissemination, or publication of the Confidential Information;

(b) to use the Confidential Information solely related to the sale of Products, and not for any other purpose or for its own benefit or for the benefit of any other person or party, and that it shall not at any time incorporate all or any portion of the Confidential Information into any other work or product other than for the sole purpose of performing its obligations in connection with the Agreement;

(c) not to use or disclose any Confidential Information in contravention of any duty existing under law or contract or to use or disclose any Confidential Information to the detriment of Common Sense Wellness Worldwide;

(d) to disclose the Confidential Information only to its legal or financial consultants who have a need to know such Confidential Information in order to properly advise an Independent Business Owner, and who are under confidentiality obligations no less restrictive than the terms of the Agreement to maintain the confidential nature of such Confidential Information;

(e) not to decompile, disassemble, or reverse engineer all or any part of the Confidential Information;

(f) to allow anyone to reproduce the Confidential Information only to the extent as may be strictly necessary to advise an Independent Business Owner, with all such reproductions being considered Confidential Information;

(g) it shall be liable for any breaches of the Agreement by any person or party to whom it discloses Confidential Information; and

(h) if it discovers that any Confidential Information has been used, disseminated or published in violation of the Agreement, it will immediately notify Common Sense Wellness Worldwide, take all commercially



reasonable actions available to minimize the impact of the use, dissemination or publication, and take any and all necessary steps to prevent any further breach of this Agreement.

7.2 Downline Activity (Genealogy Reports). Downline Activity Reports are available for Independent Business Owner access and viewing at Common Sense Wellness Worldwide's official website. Independent Business Owner access to their Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets, and are owned exclusively by Common Sense Wellness Worldwide. Downline Activity Reports are provided to Independent Business Owners in strictest confidence and are made available to Independent Business Owners for the sole purpose of assisting Independent Business Owners in working with their respective Downlines in the development of their Common Sense Wellness Worldwide business. Independent Business Owners should use their Downline Activity Reports to assist, motivate, and train their Downline Independent Business Owners. The Independent Business Owner and Common Sense Wellness Worldwide agree that, but for the confidentiality and nondisclosure obligations contained in the Agreement, Common Sense Wellness Worldwide would not provide Downline Activity Reports to the Independent Business Owner. An Independent Business Owner shall not, on its behalf, or on behalf of any other person, partnership, association, corporation or other entity:

(a) Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;

(b) Directly or indirectly disclose the password or other access code to a Downline Activity Report;

(c) Use any information obtained to compete with Common Sense Wellness Worldwide or for any purpose other than promoting a Common Sense Wellness Worldwide business;

(d) Recruit or solicit any Independent Business Owner, Preferred Customer or Retail Customer of Common Sense Wellness Worldwide business listed on any report, or in any manner attempt to influence or induce any Independent Business Owner, Preferred Customer or Retail Customer, to alter their business relationship with Common Sense Wellness Worldwide; or

(e) Use or disclose to any person or Business Entity any information contained in any Downline Activity Report. Upon demand by Common Sense Wellness Worldwide, any current or former Independent Business Owner will return the original and all copies of Downline Activity Reports to Common Sense Wellness Worldwide and certify absolute compliance with such requirement following delivery.

7.3 Period of Confidentiality. Each Independent Business Owner shall be obligated to protect the Confidential Information received pursuant to the Agreement until such time that the Confidential Information becomes publicly known and made generally available through no action or inaction of an Independent Business Owner.

7.4 Return of Confidential Information. Each Independent Business Owner shall promptly return or, at Common Sense Wellness Worldwide's option, destroy all copies of Confidential Information at any time upon request by Common Sense Wellness Worldwide or within ten (10) days following a Cancellation. An authorized representative of each Independent Business Owner shall certify that all such Confidential Information has been returned or destroyed. If and to the extent each Independent Business Owner has any notes, analyses, compilations, studies, interpretations, memoranda, photographs, magnetic or electronic media or videotapes, or any other documents prepared by or on behalf of each Independent Business Owner that contain, reflect or are based upon, in whole or in part, any Confidential Information provided by Common Sense Wellness Worldwide,



then an Independent Business Owner shall redact, erase, delete or destroy such documents so that the Confidential Information is no longer accessible.

7.5 Equitable Relief. Each Independent Business Owner acknowledges and agrees that in the event of a breach or threatened breach of any confidentiality obligation hereunder, Common Sense Wellness Worldwide will suffer irreparable harm for which it will not have an adequate remedy at law. Common Sense Wellness Worldwide shall therefore be entitled to obtain an injunction enjoining and restraining each Independent Business Owner from doing or continuing to do any such act and any other violations or threatened violations of the Agreement, without the necessity of posting any bond or other security and without having to prove any actual damages. Common Sense Wellness Worldwide's right to injunctive relief shall be in addition to any and all other rights or remedies which may be available to it at law or in equity

7.6 Web Access Protection. Common Sense Wellness Worldwide will allow Independent Business Owners to create or purchase third party websites to enhance their businesses. An Independent Business Owner may use such a website provided the website is in strict compliance with Section 8. Common Sense Wellness Worldwide has a policy of not giving any of these third-party companies or websites direct access to the information that is collected during the enrollment process or anytime that an Independent Business Owner is acting as an Independent Business Owner. It is a violation of these Policies and Procedures for an Independent Business Owner or a third party to access this data via reverse engineering, keystroke monitoring, or by any other means.

7.7 Communication Opt-in. Each Independent Business Owner agrees that Common Sense Wellness Worldwide may send unsolicited communications to an Independent Business Owner, whether in the form of e-mails, text messages, faxes or telephone calls or some other format, whether recorded or in-person, at any time provided that the message is connected with the business of Common Sense Wellness Worldwide. Each Independent Business Owner also understands and agrees that they are prohibited, except with the prior advance approval of the CEO of Common Sense Wellness Worldwide, from sending or otherwise transmitting an unsolicited message or messages of any kind to any other Independent Business Owner, except (i) to those Independent Business Owners who are in the first Level immediately above and below the Independent Business Owner who is sending the unsolicited message, and (ii) to those Independent Business Owners as to whom the Independent Business Owner who is sending the message is the Sponsor. An Independent Business Owner will be able to contact their Upline for help but in order for an Independent Business Owner to contact their Downline, their Downline will have to opt-in to receive information.

7.8 Submission of Ideas. Independent Business Owners may have certain materials, including technical or creative suggestions, proposals, or ideas (collectively, "*Ideas*") and a desire to submit Ideas to Common Sense Wellness Worldwide to enhance its business or opportunities. If an Idea is submitted then the submitting Independent Business Owner acknowledges that: (i) Common Sense Wellness Worldwide cannot receive any Idea in confidence and thus, the information contained in the Idea is non-confidential; (ii) upon submission of an Idea, such Idea shall become owned solely by Common Sense Wellness Worldwide for its unrestricted use and the submitting Independent Business Owner waives and any all rights to such Idea; and (iii) Common Sense Wellness Worldwide has no duty, express or implied, to compensate the submitting Independent Business Owner for an Idea.

8. ADVERTISING

8.1 General. All Independent Business Owners shall safeguard and promote the good reputation of Common Sense Wellness Worldwide and its Products. The marketing and promotion of Common Sense Wellness Worldwide and Products shall be consistent with the public interest, and must avoid all discourteous, deceptive,



misleading, unethical or immoral conduct or practices. To promote the marketing and sale of Products, Independent Business Owners are encouraged to use the sales aids and support materials produced by Common Sense Wellness Worldwide. Common Sense Wellness Worldwide has carefully designed its Products, Product labels, Compensation Plan, and promotional materials to ensure that the presentation of each aspect of Common Sense Wellness Worldwide is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws.

8.2 *Supplemental Marketing Materials Require Written Approval Prior to Use.* In the event that an Independent Business Owner produces supplemental marketing material of any kind, including but not limited to advertisements of any media type, social media posts, flyers, brochures, CDs, audio recordings, posters, or banners, Common Sense Wellness Worldwide requires that such be submitted to Common Sense Wellness Worldwide's Compliance Department for written approval for the use of the same. If prior written approval is not received within five (5) business days then such marketing material shall be deemed rejected and may not be used. Also, Common Sense Wellness Worldwide reserves the right, at its discretion, to require modification to, or the discontinued use of previously approved Independent Business Owner materials. Common Sense Wellness Worldwide further reserves the right to rescind approval for any sales tools, promotional materials, advertisements or other literature, and each Independent Business Owner waives all claims for damages or remuneration arising from or relating to such rescission. Notwithstanding the approval process stated above, an Independent Business Owner may not make any claims stating that documents or materials that they have written or produced have been given approval from the Common Sense Wellness Worldwide, or that they are "*compliance approved*" even if such materials have been approved for use. As these compliance policies are vital to the long-term stability of Common Sense Wellness Worldwide and the preservation of the opportunity for all, violations of these policies will be strictly enforced. Failure to obtain approval for supplemental marketing materials of any kind prior to use, and/or failure to strictly adhere to the Policies and Procedures, may result in a Cancellation. However, for minor infractions (as determined by Common Sense Wellness Worldwide, in its sole discretion) Common Sense Wellness Worldwide shall strive to provide a written warning to the breaching Independent Business Owner prior to terminating the Agreement and/or pursuing other remedies available to Common Sense Wellness Worldwide.

8.3 *Interaction with Common Sense Wellness Worldwide Consultants.* Common Sense Wellness Worldwide presently has, and will continue to have, relationships with scientific, marketing, public relations and business professionals ("*Consultants*"). In the interest of preserving these relationships for the benefit of all Independent Business Owners and Common Sense Wellness Worldwide, Independent Business Owners must: (i) adhere strictly to Common Sense Wellness Worldwide's advertising policies, and (ii) refrain from any contact with any contact with Consultants without the prior express written consent of Common Sense Wellness Worldwide.

8.4 *Independent Business Owner Web Sites.*

8.4.1 *Replicated Website Program.* If an Independent Business Owner desires to utilize a website to promote its Common Sense Wellness Worldwide business, it may do so through Common Sense Wellness Worldwide's replicated website program, using official Common Sense Wellness Worldwide templates. This program permits Independent Business Owners to advertise on the Internet and to choose from among a variety of home page designs that can be personalized with the Independent Business Owner's message and the Independent Business Owner's contact information. These websites seamlessly link directly to the official Common Sense Wellness Worldwide website, giving the Independent Business Owner a professional and pre-approved presence on the Internet. No Independent Business Owner may independently design a website that uses the name, logos, or product descriptions of Common Sense Wellness Worldwide or otherwise promotes (directly or indirectly) Products or the Common Sense Wellness Worldwide opportunity, without the express prior written consent of Common Sense Wellness Worldwide. Additionally, an Independent Business Owner shall not use



"blind" ads on the internet that make product or income claims which are ultimately associated with Products, Common Sense Wellness Worldwide, or the Compensation Plan.

8.4.2 *Website Developed by Independent Business Owners.* If Independent Business Owners receive Common Sense Wellness Worldwide's prior written consent to develop their own website(s), they must: (i) use the text of Common Sense Wellness Worldwide's official website (including proper attribution and copyright restrictions); and (b) not supplement the content of such website with text from any source other than Common Sense Wellness Worldwide. Independent Business Owners who develop or publish their own websites must register their site(s) with Common Sense Wellness Worldwide and receive written approval from Common Sense Wellness Worldwide prior to the website(s) public availability. For additional guidelines, please use the following list of requirements, which is designed to guide Independent Business Owners in properly creating Common Sense Wellness Worldwide marketing materials. Any advertising or promotional material must conspicuously contain this exact verbiage: "*Common Sense Wellness Worldwide Independent Business Owner.*"

8.4.3 *Domain Names and Email Addresses.* Independent Business Owners may not use or attempt to register "*Common Sense Wellness Worldwide*" or any other product or individual name connected with Common Sense Wellness Worldwide for use in any Internet domain name or social media account or page. Additionally, Independent Business Owners may not incorporate or attempt to incorporate such names, or any derivative thereof, into any electronic mail address. Further, Independent Business Owners may not incorporate such terms, or any derivative of any of the foregoing into any domain name, email addresses, user name, team names, telephone numbers or any other address or title.

8.4.4 *Online Advertising.* Independent Business Owners must comply with the terms and conditions set forth by each search engine or online advertising network. An Independent Business Owner may purchase keywords for business purposes only, not personal, household or family purposes. Costs associated with search engine or online advertising are the sole responsibility of the Independent Business Owner. An Independent Business Owner must own the Internet property that they are advertising and cannot redirect to a website or other Internet property they do not own. At Common Sense Wellness Worldwide's request, the Independent Business Owner must promptly demonstrate that they do own the Internet property or website advertised. Independent Business Owners must obtain prior written approval from our Compliance Department before submitting or publishing links on search engines, Internet properties or online advertising networks. Purchasing advertisements related to prohibited terms, or referencing them in the copy of the advertisement, is strictly prohibited.

8.5 *Social Networking.* Independent Business Owners are permitted to use Social Networking for the promotion of their Common Sense Wellness Worldwide businesses. However, while promoting their Common Sense Wellness Worldwide business using Social Networking, Independent Business Owners must abide by the following guidelines: (i) they must register their Social Networking accounts with our Compliance Department; (ii) they must allow access to their Social Networking accounts so that, at Common Sense Wellness Worldwide's discretion, Common Sense Wellness Worldwide can review site content to assure compliance.

8.6 *Use of Celebrity Names.* No names of celebrities may be published by Independent Business Owners in association with Common Sense Wellness Worldwide without prior written approval of Common Sense Wellness Worldwide.

8.7 *Trademarks and Copyrights.* The name "*Common Sense Wellness Worldwide*" and other names as may be adopted by Common Sense Wellness Worldwide (the "*Marks*") are proprietary trade names, trademarks and/or service marks of Common Sense Wellness Worldwide. As such, the Marks are of great value to Common Sense



Wellness Worldwide and are supplied to Independent Business Owners for their use only in an expressly authorized manner, which license can be revoked at any time. Use of a Mark on any item not produced by Common Sense Wellness Worldwide is prohibited except that all Independent Business Owners may indicate that they are a "Common Sense Wellness Worldwide™ Independent Business Owner". Independent Business Owners may not answer the telephone in any manner that could lead the caller to believe that he or she has reached the Common Sense Wellness Worldwide corporate offices or was otherwise engaged as a corporate representative or agent of Common Sense Wellness Worldwide. Similarly, Independent Business Owners are prohibited from using the names of persons or companies, trademarks, designs, or symbols to further their Common Sense Wellness Worldwide business without the prior written consent of the owner.

8.8 *Image & Audio Use.* Independent Business Owners may not produce for sale or distribution any recorded Company events and/or speeches without prior written permission from Common Sense Wellness Worldwide (including photographs of the same), nor may Independent Business Owners reproduce for sale or for personal use any recording of Company-produced audio or video presentations.

8.9 *Mass Media; General Advertising*

8.9.1 *Promotions Utilizing Mass Media Prohibited.* Independent Business Owners may not use any form of media or other mass communication advertising to promote the ability to Enroll, including mass communication advertising on the Internet. This includes news stories or promotional pieces on TV shows, newscasts, entertainment shows, Internet ads, etc. Independent Business Owners may place generic opportunity advertisements in jurisdictions allowing that type of advertisement, but only in accordance with the Policies and Procedures. Products may be marketed and sold by Independent Business Owners in accordance with these Policies and Procedures.

8.9.2 *Media Interviews.* Independent Business Owners may not promote the ability to Enroll through interviews with the media, articles in publications, news reports, press releases, or any other public information, trade, or industry information source, unless specifically authorized in writing in advance by Common Sense Wellness Worldwide. This includes private, paid membership, or "closed group" publications. Independent Business Owners may not speak to the media on Common Sense Wellness Worldwide's behalf, and may not represent that they have been authorized by Common Sense Wellness Worldwide to speak on its behalf. All media contacts or inquiries should be immediately referred to the Public Relations Department of Common Sense Wellness Worldwide.

8.10 *Spamming and Unsolicited Faxes.* Except as provided in this Section, Independent Business Owners may not use or transmit unsolicited faxes, mass e-mail distribution, unsolicited e-mail or social media communication, or "spamming" relative to the operation of their Common Sense Wellness Worldwide businesses. The terms "*unsolicited faxes*" and "*unsolicited e-mail*" mean the transmission via telephone, facsimile or electronic mail, respectively, of any material or information advertising or promoting Common Sense Wellness Worldwide, the Products, its Compensation Plan or any other aspect of Common Sense Wellness Worldwide which is transmitted to any person. These terms do not include a fax or e-mail: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Independent Business Owner has an established business or personal relationship. The term "*established business or personal relationship*" means a prior or existing relationship formed by a voluntary two-way communication between an Independent Business Owner and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding Products offered by such Independent Business Owner; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.



8.11 *Telemarketing*. The federal Trade Commission and the federal Communications Commission each have regulations that restrict telemarketing practices. Both federal agencies (as well as a number of states) have “do not call” regulations as part of their telemarketing laws. Although Common Sense Wellness Worldwide does not consider Independent Business Owners to be “telemarketers” in the traditional sense of the word, these government regulations broadly define the term “telemarketer” and “telemarketing” so that an inadvertent action of calling someone whose telephone number is listed on the federal “do not call” registry could cause an Independent Business Owner to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant financial penalties. Therefore, Independent Business Owners must not engage in telemarketing in the operation of their Common Sense Wellness Worldwide businesses. For purposes of these Policies and Procedures the term “*telemarketing*” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Common Sense Wellness Worldwide product or service, or to recruit them for the Common Sense Wellness Worldwide opportunity. “Cold calls” made to prospective customers or Independent Business Owners that promote Products or the Common Sense Wellness Worldwide opportunity constitute telemarketing and are prohibited. In addition, Independent Business Owners shall not use automatic telephone dialing systems or random phone lists relative to the operation of their Common Sense Wellness Worldwide businesses. The term “*automatic telephone dialing system*” means equipment which has the capacity to: (a) store or produce telephone numbers to be called using a random or sequential number generator; and (b) to dial such numbers. In addition, Independent Business Owners acknowledge and agree to abide by federal telemarketing guidelines.

8.12 *Unauthorized Claims and Actions*

8.12.1 *Indemnification*. Independent Business Owners are fully responsible for (and liable for) all of their verbal and written statements made regarding Products and the Compensation Plan which are not expressly contained in the Official Common Sense Wellness Worldwide Materials, and for their actions related to the development of their Marketing Organization and the sale of Products. Therefore, Independent Business Owners agree to indemnify Common Sense Wellness Worldwide and Common Sense Wellness Worldwide’s directors, officers, employees, and agents, and hold them harmless from any and all liability including, but not limited to, judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Common Sense Wellness Worldwide as a result of the Independent Business Owner’s unauthorized representations or actions in violation of the Agreement. This provision shall survive the termination of the Independent Business Owner Agreement.

8.12.2 *Product Claims*. No claims, which include personal testimonials, as to therapeutic, curative or beneficial properties of any Products may be made except those contained in the Official Common Sense Wellness Worldwide Materials. Specifically, no Independent Business Owner may make any claim that Products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases or signs or symptoms of disease. Not only are such claims violations of these Policies and Procedures and the Agreement generally, but they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and federal Trade Commission Act. An Independent Business Owner that provides a Product experience testimonial in any medium should use care to disclose their affiliation with Common Sense Wellness, be absolutely honest in their testimonial personal experience, and assert that they are not claiming that their experience is the typical result experienced by consumers. As stated above, any such testimonial would have to be pre-approved by Common Sense Wellness Worldwide prior to its use.

8.12.3 *Income Claims*. In their enthusiasm to enroll prospective Independent Business Owners, some Independent Business Owners are tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Independent Business Owners may become disappointed very quickly if their results are not as extensive or as rapid as the results others have



achieved. The federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Independent Business Owners may believe it beneficial to provide copies of checks, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact Common Sense Wellness Worldwide as well as the Independent Business Owner making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because Independent Business Owners do not have the data necessary to comply with the legal requirements for making income claims, an Independent Business Owner, when presenting or discussing the Common Sense Wellness Worldwide opportunity or Compensation Plan to a prospective Independent Business Owner, may not make income projections, income claims, or disclose Compensation in any way (including the showing of checks, copies of checks, bank statements, or tax records). Hypothetical income examples that are used to explain the operation of the Compensation Plan, and which are based solely on mathematical projections, may be made to prospective Independent Business Owners, so long as the Independent Business Owner who uses such hypothetical examples makes clear to the prospective Independent Business Owner(s) that such earnings are hypothetical, and the Independent Business Owner provides the prospect with a copy of the most current income disclosure chart prepared by Common Sense Wellness Worldwide. Until such time as Common Sense Wellness Worldwide publishes an official income disclosure statement, Independent Business Owners may not use hypothetical income examples in the promotion of their Common Sense Wellness Worldwide businesses.

8.13 Governmental Approval or Endorsement. Neither federal nor state regulatory agencies nor officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Independent Business Owners shall not represent or imply that Common Sense Wellness Worldwide or its Compensation Plan has been “approved,” “endorsed” or otherwise sanctioned by any government agency.

9. RULES & REGULATIONS

9.1 Identification. All Independent Business Owners are required to provide their Social Security Number or a Federal Tax ID to Common Sense Wellness Worldwide on the Application. Upon enrollment, Common Sense Wellness Worldwide will provide a unique IBO Number to the Independent Business Owner by which it will be identified. This number will be used to place orders and track Compensation.

9.2 Income Taxes. Each Independent Business Owner is responsible for paying local, state, and federal taxes on any income generated as an Independent Business Owner. If a Common Sense Wellness Worldwide business is tax exempt, the federal tax identification number must be provided to Common Sense Wellness Worldwide. Every year, Common Sense Wellness Worldwide will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. distributor who: 1) had earnings of over \$600 in the previous calendar year; or 2) made purchases during the previous calendar year in excess of \$5,000.

9.3 Insurance

9.3.1 Business Pursuits Coverage. It is generally recommended that an Independent Business Owner obtain insurance coverage for its business. A homeowner’s insurance policy does not cover business-related injuries or the theft of or damage to inventory or business equipment, and because an Independent Business Owner has an obligation to indemnify Common Sense Wellness Worldwide for actions in violation of the Agreement, there may be a need to obtain coverage sufficient to protect your assets and hedge against potential claims caused by an Independent Business Owner.



9.3.2 *Product Liability Coverage.* Common Sense Wellness Worldwide maintains insurance to protect Common Sense Wellness Worldwide and Independent Business Owners against product liability claims. Common Sense Wellness Worldwide's insurance policy extends coverage to Independent Business Owners so long as they are marketing Products in the regular course of their business and in accordance with the Agreement and applicable laws and regulations. Common Sense Wellness Worldwide's product liability policy may not extend coverage to claims or actions that arise as a result of an Independent Business Owner's misconduct in marketing the Products.

9.4 *International Marketing.* Independent Business Owners are authorized to sell Products, and Enroll Retail Customers, Preferred Customers, or Independent Business Owners only in countries in which Common Sense Wellness Worldwide is authorized to conduct business, as announced in official Company materials and as listed below. However, before initiating business activities in any authorized country, an Independent Business Owner must first complete and submit an Application to the Customer Service Department. Once such Application has been received and accepted, as evidenced by written authorization by a member of the International Development Team, the submitting Independent Business Owner may begin doing business in any authorized country in accordance with the applicable terms and conditions of that country. Allowed conduct and activity in unauthorized and/or NFR (defined below) markets is described in Section 9.4.1 below.

9.4.1 *International Marketing Definitions.* Prior to the official opening of opportunities to do business in a country as an Independent Business Owner, permissible Independent Business Owner activity is limited to providing business cards and conducting, organizing, or participating in meetings with no more than five (5) attendees, including the Independent Business Owner. Other attendees must be personal acquaintances or acquaintances of personal acquaintances. These meetings must be held in a home or a public establishment but may not be held in a private hotel room. All cold-calling techniques (soliciting persons who are not prior personal acquaintances of the contacting Independent Business Owner) are strictly prohibited in unopened countries. Not For Resale ("*NFR*") countries where residences of the country are allowed to import Products for personal use only on a "not-for-resale" basis, and the re-selling of those Products is prohibited.

9.4.2 *Authorized Countries.* Currently the only authorized international markets are: United states (full business), Canada (NFR Only), Australia, and New Zealand.

9.5 *Adherence to Laws and Ordinances*

9.5.1 *Local Ordinances.* Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances are not applicable to Independent Business Owners because of the nature of their business. However, Independent Business Owners must obey those laws that do apply to them. If a city or county official tells an Independent Business Owner that they are subject to an ordinance, the Independent Business Owner shall be polite and cooperative, and immediately send a copy of the ordinance to the Common Sense Wellness Worldwide Compliance Department. In most cases, there are exceptions to the ordinance that may apply to Independent Business Owners.

9.5.2 *Compliance with federal, state, and Local Laws.* Independent Business Owners shall comply with all federal, state, and local laws and regulations in the conduct of their businesses.

10. SALES

10.1 *Selling Products in Commercial Outlets.* Independent Business Owners may not display or sell Products or literature in any retail establishment for less than the Suggested Retail Price.



10.2 **Trade Shows, Expositions and Other Sales Forums.** Independent Business Owners may display and/or sell Common Sense Wellness Worldwide Products, at their own expense, at trade shows and professional expositions as long as there are no other Independent Business Owners with a display or selling Products at the event. Common Sense Wellness Worldwide expects its Independent Business Owners to present and conduct themselves professionally in all forums of business.

10.3 **Discount or Auction Web Sites; Liquidated Damages for Breach.** The use of any third party discount or auction Internet website or web page (including, without limitation, auction sites such as Amazon or eBay) to in any way promote the sale of Products or Common Sense Worldwide is a breach of the Agreement and may result in a Cancellation as well as liquidated damages in the amount of \$10,000 per occurrence, which amount is based upon the impact such use would have on the overall business of Common Sense Wellness Worldwide. Independent Business Owners that are found in violation of this policy are not eligible to receive a refund on any of the Products purchased.

10.4 **Excess Inventory Purchases Prohibited.** Independent Business Owners are not required to carry inventory of Products or sales aids. Independent Business Owners who do so may find making retail sales and building a Marketing Organization somewhat easier because of the decreased response time in fulfilling customer orders or in meeting a new Independent Business Owner's needs. Each Independent Business Owner must make its own decision with regard to these matters. To ensure that Independent Business Owners are not encumbered with excess Restockable and Resalable inventory that they are unable to sell, such inventory may be returned to Common Sense Wellness Worldwide upon the Independent Business Owner's Cancellation pursuant to the terms of Section 13. Common Sense Wellness Worldwide strictly prohibits the purchase of Products in unreasonable amounts primarily for the purpose of qualifying for Compensation advancement in the Compensation Plan. Independent Business Owners may not purchase more inventory than they can reasonably resell or consume in a month nor may they encourage others to do so.

10.5 **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 Application by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an Independent Business Owner, Preferred Customer, or Retail Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Independent Business Owners, Preferred Customer, or Retail Customers; (d) the use of a credit card by or on behalf of an Independent Business Owner, Preferred Customer, or Retail Customer when the Independent Business Owner, Preferred Customer, or Retail Customer is not the account holder of such credit card; (e) purchasing Common Sense Wellness Worldwide merchandise on behalf of another Independent Business Owner or under another Independent Business Owner's IBO Number to qualify for Compensation.

10.6 **Re-packaging and Re-labeling Prohibited.** Independent Business Owners may not re-package, re-label, refill or alter the labels on any Products, information, materials or programs in any way. Products must be sold in their original containers only. Such re-labeling or re-packaging would violate federal and state laws, which could result in severe criminal penalties. Each Independent Business Owner is hereby made aware that civil liability can arise when, as a consequence of the re-packaging or re-labeling of Products, the persons using the Products suffer any type of injury or their property is damaged.

11. SALES REQUIREMENTS

11.1 **Product Sales.** The Compensation Plan is based upon the sale of Products to End Consumers. Independent Business Owners must fulfill personal and Downline organization retail sales requirements (as well



as meet other responsibilities set forth in the Agreement) to be eligible for Compensation and advancement to higher levels of achievement. The following sales requirements must be satisfied for Independent Business Owners to be eligible for Compensation:

11.1.1 Independent Business Owners must satisfy the Personal Volume and Organizational Volume requirements to fulfill the requirements associated with their rank as specified in the Compensation Plan. PV includes purchases made by the Independent Business Owner and Retail Customers, except that personally enrolled Preferred Customer volume will also be included in an Independent Business Owner's PV for the purposes of rank advancement. OV shall include the total PV of all Independent Business Owners in its Marketing Organization, plus the Independent Business Owner's PV.

11.1.2 *Advertised Product Price.* Independent Business Owners may not advertise Products at a price less than the Suggested Retail Price of one (1) unit of the relevant Product. Independent Business Owners also agree that all advertising regarding the price of Products will be truthful and will not contain misleading statements (e.g., "lowest price available" which infers that an Independent Business Owner is able to sell the Products at a price lower than other Independent Business Owners, etc.). Any violation of this Section by an Independent Business Owner shall constitute a breach of the Agreement and may result in any of the actions set forth in Section 14.

11.1.3 *Compliance with the 70% Sales Rule and 10-customer Rule.* The Independent Business Owner must comply with the 70% Sales Rule and the 10-customer Rule. The "**70% Sales Rule**" means that by placing a new Product order, an Independent Business Owner is deemed to have certified that it has sold or consumed at least 70% of all Products purchased in prior orders. The "10-customer Rule" means that each Independent Business Owner must make sales to a minimum of ten (10) Retail Customers per month. Each Independent Business Owner that receives Compensation and orders additional Products agrees to retain documentation that demonstrates compliance with the 70% Sales Rule and the 10-customer Rule, including evidence of Retail Sales, for a period of at least four (4) years. An Independent Business Owner agrees to make this documentation available to Common Sense Wellness Worldwide upon request. Failure to comply with this requirement or falsely representing the amount of Product sold or consumed in order to advance in the compensation plan constitute a breach of the Agreement and is grounds for termination. Furthermore, a breach of this requirement entitles Common Sense Wellness Worldwide to recover any Compensation paid to the Independent Business Owner for any period of time during which such documentation is not maintained or for which this provision has been breached.

11.2 *No Territory Restrictions.* There are no exclusive territories granted to anyone. No franchise fees are required.

11.3 *Sales Receipts.* All Independent Business Owners must provide their retail customers with two (2) copies of an official Common Sense Wellness Worldwide sales receipt at the time of the sale. These receipts set forth consumer protection rights afforded by federal or state law. Independent Business Owners must maintain all retail sales receipts for a period of four (4) years and furnish them to Common Sense Wellness Worldwide upon request. Records documenting the purchases of Independent Business Owners' Retail Customers will be maintained by Common Sense Wellness Worldwide. Independent Business Owners must ensure that the following information is contained on each sales receipt: (i) the date of the transaction; (ii) the date (not earlier than the third business day following the date of the transaction) by which the buyer may give notice of cancellation; and (3) the name and address of the selling Independent Business Owner. Remember that customers must receive two copies of the sales receipt. In addition, Independent Business Owners must verbally inform the buyer of his or her cancellation rights.



11.4 **Refusal of Shipment.** If a shipment is refused by an Independent Business Owner, whether it is an Loyalty Order shipment or an order that has just been placed, such Independent Business Owner will be charged a \$10.00 shipment refusal fee to the form of payment on file.

12. COMPENSATION

12.1 **Compensation Qualifications.** An Independent Business Owner must be active and in compliance with the Agreement to qualify for rebates, bonuses and commissions associated with Commissionable Products (collectively referred to herein as "**Compensation**"). So long as an Independent Business Owner complies with the terms of the Agreement, Common Sense Wellness Worldwide shall pay Compensation to such Independent Business Owner in accordance with the Compensation Plan. The minimum amount for which Common Sense Wellness Worldwide will issue a check is \$20.00, and Common Sense Wellness Worldwide charges a \$4.00 check processing fee for all mailed checks. Therefore, if an Independent Business Owner's Compensation does not equal or exceed \$24.00, Common Sense Wellness Worldwide will accrue the Compensation until they total \$24.00. A check will be issued after \$24.00 has been accrued. If it becomes necessary for Common Sense Wellness Worldwide to reissue a Compensation payment because it has been lost, Common Sense Wellness Worldwide will charge a \$15.00 fee for each replacement check provided.

12.2 **Adjustment to Compensation; Cancellation within 30 Days.** Independent Business Owners receive rebates for AC in excess of 67.5 AC and Compensation based on the actual sales of Products to End Consumers. When a Restockable and Resalable Product is returned to Common Sense Wellness Worldwide for a refund, the Compensation attributable to the returned Product(s) will be deducted in the month in which the refund is given, and continuing every pay period thereafter, until the Compensation is recovered from the Independent Business Owners who received the Compensation on the sales or purchase of the refunded Products. If an Independent Business Owner notifies Common Sense Wellness Worldwide of its voluntary Cancellation within the first thirty (30) days after its enrollment and also chooses to return the Product that it has ordered, a refund will be issued for the full amount paid less any bonuses that were issued in accordance with this Section.

12.3 **Unclaimed Compensation and Credits.** Independent Business Owners must deposit or cash rebate Compensation checks within six (6) months from their date of issuance. A check that remains uncashed after six (6) months will be void. After a check has been voided, Common Sense Wellness Worldwide will attempt to notify an Independent Business Owner who has an uncashed check by sending a monthly written notice to its last known address identifying the amount of the check and advising that the Independent Business Owner can request that the check be reissued. There shall be a \$25.00 charge for reissuing a check. This charge shall be deducted from the balance owed to the Independent Business Owner. Retail Customers, Preferred Customers, and Independent Business Owners who have a credit on account must use their credit within six (6) months from the date on which the credit was issued. If credits have not been used within six (6) months, Common Sense Wellness Worldwide shall attempt to notify the Independent Business Owner, Preferred Customer, or Retail Customer on a monthly basis, by sending written notice to the last known address advising the Independent Business Owner, Preferred Customer, or Retail Customer of the credit. There shall be a \$10.00 charge for each attempted notification. This charge shall be deducted from the Independent Business Owner's or Customer's credit on account.

12.4 **Incentive Trips & Rewards.** From time to time, Common Sense Wellness Worldwide may provide incentive trips and other awards to qualified Independent Business Owners. These awards or trips may be based on title and high Independent Business Owner performance and are provided only to the persons listed on a qualifying Independent Business Owner Agreement, up to air fare for two (2) such Independent Business Owners and hotel accommodations of one (1) room. Incentive trips or awards may not be deferred for future acceptance and have no cash value. No payment or credit will be given to those who cannot or choose not to attend trips or to accept



awards. Although Common Sense Wellness Worldwide may pay some or all of the costs of such incentive trips, each Independent Business Owner agrees to indemnify and hold harmless Common Sense Wellness Worldwide from any claim, injury, loss or other damage sustained in association with the trip by the Independent Business Owner and/or its guests. An Independent Business Owner cannot make claim upon, or rely upon, any insurance policy of Common Sense Wellness Worldwide to cover the costs and expenses of any injury, loss or other damage to the Independent Business Owner and/or the Independent Business Owner's guests. Common Sense Wellness Worldwide may be required by law to include the fair market value of any incentive awards, trips, etc. on the Independent Business Owner's end of the year tax report. Each Independent Business Owner is liable for applicable taxes and agrees to hold Common Sense Wellness Worldwide harmless from claims of tax liability relating to incentive trips and awards. If it is discovered that the Independent Business Owner has made any misrepresentations or has violated any of the Policies and Procedures in becoming eligible for incentives trips and awards, Common Sense Wellness Worldwide may charge the Independent Business Owner for any costs incurred by Common Sense Wellness Worldwide or for any benefits received by the Independent Business Owner. Common Sense Wellness Worldwide reserves the right at its sole and absolute discretion to disallow participation for any reason it deems necessary.

12.5 **Reports.** For the purposes of this Section 12.5, the term "*Common Sense Wellness Worldwide*" shall include Common Sense Wellness Worldwide and all of its employees, officers, directors, independent contractors, and agents, and other Independent Business Owners. Each Independent Business Owner understands that Common Sense Wellness Worldwide regularly provides information to each of its Independent Business Owners. This information includes but is not limited to reports of online or telephonic Downline activity, such as personal and group sales volume, and Downline placing activity (the "*Information*"). Each Independent Business Owner agrees never to assert any claim of any nature against Common Sense Wellness Worldwide, including its officers, directors, employees and independent contractors, that arises out of or which is in any way connected with the presentation, compilation, development, publication and dissemination of the Information, including but not limited to a claim for lost profits, bonuses, commissions, and loss of opportunity. Further, each Independent Business Owner shall indemnify and hold harmless Common Sense Wellness Worldwide against any claims associated with its dissemination of Information in violation of the Agreement. This provision is intended to extend to any action or omission by Common Sense Wellness Worldwide related to the Information, such as, but not limited to, the inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the Information. However, this Section does not apply to claims that may arise as a result of intentional misconduct or reckless disregard of the rights of Independent Business Owners on the part of Common Sense Wellness Worldwide.

13. PRODUCT GUARANTEE & INVENTORY RETURNS

13.1 **Product Guarantee.** Restockable and Resalable Product and marketing materials included in the initial order may be returned within thirty (30) days after the purchase and receive a 100% refund, less shipping costs. Only Restockable and Resalable Product shall be eligible for a refund, unless defective. All returns must have a Return Merchandise Authorization, ("*RMA*"), issued through the Customer Service Department. Business Kits (all Products and materials included) are nonrefundable/nontransferable. Independent Business Owners are responsible for returning Product to Common Sense Wellness Worldwide within ten (10) business days of receipt of the RMA, or the Product will not be eligible for return.

13.2 **Inventory Returns.** An Independent Business Owner who resigns (which resignation must be in writing) may return Products and marketing materials purchased within the twelve (12) month period prior to resignation, subject to the 70% Sale Rule, and subject to the same provisions set forth in Section 13.1 above, regarding Resalability and RMAs. Upon compliance with all applicable requirements, a full refund, less a 10% restocking fee and shipping costs, will be issued by Common Sense Wellness Worldwide. Any Product that is expired, or that is



within three (3) months of expiration, will not be eligible for a refund. Please allow for up to twenty (20) days from the time that Product is received to receive a refund.

13.3 **Exceptions to the Refund Policies.** Previously paid Compensation (as described in Section 12) may be reversed or adjusted as a result of the exceptions and at the sole discretion of Common Sense Wellness Worldwide. Any Compensation paid to the Independent Business Owner and its Upline for Product returned by an Independent Business Owner or Retail Customer may be debited from each such Upline Independent Business Owner's account or withheld from present or future Compensation payments. Each Independent Business Owner agrees that it will not rely on existing Downline volume at the close of a Compensation period, as returns may cause changes to Title, Rank and/or Compensation.

14. DISPUTE RESOLUTION & REMEDIES

14.1 **Remedies.** Any breach of the Agreement, including these Policies and Procedures, or any illegal, fraudulent, deceptive or unethical business conduct by an Independent Business Owner may result, at Common Sense Wellness Worldwide's discretion, in one or more of the following actions:

- (a) Issuance of a written warning or admonition;
- (b) Issuance of a writing that directs the Independent Business Owner to take immediate corrective measures;
- (c) Loss of rights to one (1) or more Compensation payments, in whole or in part;
- (d) The withholding of Compensation during the period that Common Sense Wellness Worldwide is investigating any conduct that allegedly violates the Agreement;
- (e) Suspension of the Independent Business Owner Agreement;
- (f) Cancellation of the Independent Business Owner Agreement;
- (g) Cancellation of any other household members/affiliates Independent Business Owner Agreement which is in association with the breaching Independent Business Owner;
- (h) Any other measure expressly allowed by the Agreement of which Common Sense Wellness Worldwide deems necessary to implement, and appropriate in order to provide a remedy for injuries caused partially or exclusively by the Independent Business Owner's breach; and/or
- (i) The commencement of legal proceedings for monetary or equitable relief, or both.

14.2 **Grievances and Complaints.** When an Independent Business Owner has a grievance with or complaint about another Independent Business Owner regarding any practice or conduct in relationship to their respective Common Sense Wellness Worldwide businesses, the complaining Independent Business Owner should first report the problem to its 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 Customer Service Department at Common Sense Wellness Worldwide. The Customer Service Department will review the facts and attempt to resolve it.



15. ORDERING

15.1 **Retail Customers and Preferred Customers.** Independent Business Owners are encouraged to promote Common Sense Wellness Worldwide's Retail Customer and Preferred Customer programs to their customers. The Retail Customer and Preferred Customer program allow both types of customers to purchase Products directly from Common Sense Wellness Worldwide. Customers simply call Common Sense Wellness Worldwide to place their orders, which they can charge to their credit card or utilize another payment method. Common Sense Wellness Worldwide will send the ordered Products directly to the customer. To ensure that Independent Business Owners receive the appropriate Compensation, Retail Customers and Preferred Customers may not place an order without an IBO Number. Preferred Customers must also enroll in an Loyalty Order program whereby the Preferred Customer will sign up to have a pre-selected package of Products delivered to his or her home automatically each month.

15.2 **Purchasing Common Sense Wellness Worldwide Products.** Each Independent Business Owner should purchase Products directly from Common Sense Wellness Worldwide. If an Independent Business Owner purchases Products from another Independent Business Owner or any other source, the purchasing Independent Business Owner will not receive the Personal Volume that is associated with that purchase.

15.3 **General Order Policies.** On mail orders with invalid or incorrect payment, Common Sense Wellness Worldwide will attempt to contact the Independent Business Owner by phone and/or mail to try to obtain another payment. If these attempts are unsuccessful after five (5) working days, the order will be returned unprocessed. No C.O.D. orders will be accepted. Common Sense Wellness Worldwide maintains no minimum order requirements. Orders for Products and sales aids may be combined.

15.4 **Shipping and Back Order Policy.** Common Sense Wellness Worldwide will expeditiously ship any part of an order currently in stock. If, however, an ordered item is out of stock, it will be placed on back-order and sent when Common Sense Wellness Worldwide receives additional inventory. Independent Business Owners will be charged and given Personal Volume on back-ordered items unless notified on the invoice that the Product has been discontinued. Common Sense Wellness Worldwide will notify Independent Business Owners, Preferred Customers, and Retail Customers if items are back-ordered and are not expected to ship within thirty (30) days from the date of the order. An estimated shipping date will also be provided. Back-ordered items may be cancelled upon a Retail Customer's, Preferred Customer's, or Independent Business Owner's request. Retail Customers, Preferred Customers, and Independent Business Owners may request a refund, credit on account, or replacement merchandise for canceled back-orders. If a refund is requested, the Independent Business Owner's Personal Volume will be decreased by the amount of the refund in the month in which the refund is issued.

15.5 **Confirmation of Order.** An Independent Business Owner and/or recipient of an order must confirm that the Product received matches the Product listed on the shipping invoice and is free of damage. Failure to notify Common Sense Wellness Worldwide of any shipping discrepancy or damage within thirty (30) days of shipment waives an Independent Business Owner's right to request a correction.

16. PAYMENT & SHIPPING

16.1 **Deposits.** No monies should be paid to or accepted by an Independent Business Owner for a sale to a Retail Customer except at the time of Product delivery. Independent Business Owners should not accept monies from Retail Customers to be held for deposit in anticipation of future deliveries.



16.2 **Insufficient Funds.** It is the responsibility of each Independent Business Owner to ensure that there are sufficient funds or credit available in its bank account(s) to cover the monthly Loyalty Order order. Common Sense Wellness Worldwide is not obligated to contact Independent Business Owners in regard to orders canceled due to insufficient funds or credit. This type of order cancellation may result in an Independent Business Owner's failure to receive Product or to meet its Personal Volume requirements for the month.

16.3 **Restrictions on Third Party Use of Credit Cards.** An Independent Business Owner shall not permit other Independent Business Owners to use its credit card or other payment method for purchases of Product.

16.4 **Sales Taxes.** By virtue of its business operations, Common Sense Wellness Worldwide is required to charge sales taxes on all purchases made by Independent Business Owners, Preferred Customers, and Retail Customers, and remit the taxes charged to the respective states. Accordingly, Common Sense Wellness Worldwide will collect and remit sales taxes on behalf of Independent Business Owners, based on the Suggested Retail Price of the Products, according to applicable tax rates in the state to which the shipment is destined. If an Independent Business Owner has submitted, and Common Sense Wellness Worldwide 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 Independent Business Owner. 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 Common Sense Wellness Worldwide is not retroactive.

17. INACTIVITY & CANCELLATION

17.1 **Cancellation Within 30 Days - Refund.** As stated above, if an Independent Business Owner notifies Common Sense Wellness Worldwide of its voluntary Cancellation within the first thirty (30) days after its enrollment, and also chooses to return the Product that it has ordered, a refund will be issued for the full amount paid less any bonuses that were issued in accordance with the Agreement. Additionally, in the event any state or federal laws require Common Sense Wellness Worldwide to offer a full refund following a Cancellation for a period longer than thirty (30) days, then Common Sense Wellness Worldwide shall accommodate such applicable laws following notice of the same from the affected Independent Business Owner.

17.2 **Effect of Cancellation.** So long as an Independent Business Owner remains active and complies with the Agreement, Common Sense Wellness Worldwide shall pay Compensation to such Independent Business Owner in accordance with the Compensation Plan. An Independent Business Owner's Compensation constitutes the entire consideration for the Independent Business Owner's efforts in generating sales and all activities related to generating sales (including building a Downline organization). Following an Independent Business Owner's non-renewal of its Independent Business Owner Agreement or Cancellation, the former Independent Business Owner shall have no right, title, claim or interest to the Marketing Organization which it operated, or any Compensation whatsoever. An Independent Business Owner whose business is cancelled will permanently lose all rights as an Independent Business Owner as well. This includes the right to sell Products and the right to receive Compensation. Following the Cancellation of an Independent Business Owner Agreement, the former Independent Business Owner shall not hold itself out as an Independent Business Owner and shall not have the right to sell Products. An Independent Business Owner whose Independent Business Owner Agreement is canceled shall receive Compensation and bonuses only for the last full Compensation period it was active prior to Cancellation (less any amounts withheld during an investigation preceding an involuntary Cancellation).



17.3 **Cancellation Due to Inactivity.** An Independent Business Owner has the responsibility to lead its Marketing Organization with the proper example in Personal Production of sales to End Consumers. Without this proper example and leadership, the Independent Business Owner will lose its right to receive Compensation. Independent Business Owners who personally generate less than 22.5 in AC for any pay period will not receive Compensation for that period. If an Independent Business Owner has not fulfilled its Personal Volume for a period of six (6) consecutive calendar months, Cancellation shall occur due to inactivity. The Cancellation will become effective on the day following the last day of the sixth month of inactivity.

17.4 **Involuntary Cancellation.** An Independent Business Owner's breach of any of the terms of the Agreement may result in any of the sanction actions in Section 14.1, including the involuntary Cancellation of its Independent Business Owner Agreement. Unless otherwise provided for in the Cancellation notice, Cancellation shall be effective on the date on which written notice is emailed, mailed, faxed, or delivered to an express courier, to the Independent Business Owner's last known address (or fax number), or to its attorney, or when the Independent Business Owner receives actual notice of Cancellation, whichever occurs first.

17.5 **Voluntary Cancellation.** An Independent Business Owner has the right to cancel the Agreement at any time. Cancellation must be submitted in writing to Common Sense Wellness Worldwide at its principal business address. The written notice must include the Independent Business Owner's signature, printed name, address, and IBO Number. However, if an Independent Business Owner is not in good standing with Common Sense Wellness Worldwide at the time Common Sense Wellness Worldwide receives notice of Cancellation, the consequences of an involuntary Cancellation may take effect (as per Section 14).

17.6 **Non-renewal.** An Independent Business Owner may voluntarily cancel the Agreement through non-renewal by sending written notice within thirty (30) days of the anniversary date of said agreement. Common Sense Wellness Worldwide may also elect not to renew an Independent Business Owner's Agreement upon the Agreement's anniversary date.

18. MISCELLANEOUS TERMS

18.1 **Delays.** Common Sense Wellness Worldwide shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders.

18.2 **Severability.** 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 such provision(s) shall be severed leaving the remaining terms and conditions in full force and effect, and shall be construed as if such invalid or unenforceable provision(s) never comprised a part of the Agreement.

18.3 **No Waiver.** Common Sense Wellness Worldwide never waives its right to insist on strict compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Common Sense Wellness Worldwide to exercise any right or power under the Agreement or to insist upon strict compliance by an Independent Business Owner with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Common Sense Wellness Worldwide's right to demand exact compliance with the Agreement. Waiver by Common Sense Wellness Worldwide can be affected only in writing by an authorized officer of Common Sense Wellness Worldwide. Common Sense Wellness Worldwide's waiver of any particular breach by an Independent Business Owner shall not affect or impair Common Sense Wellness Worldwide's rights with respect to any subsequent breach, nor shall



it affect in any way the rights or obligations of any other Independent Business Owner. Nor shall any delay or omission by Common Sense Wellness Worldwide to exercise any right arising from a breach affect or impair Common Sense Wellness Worldwide's rights as to that or any subsequent breach. The existence of any claim or cause of action of an Independent Business Owner against Common Sense Wellness Worldwide shall not constitute a defense to Common Sense Wellness Worldwide's enforcement of any term or provision of the Agreement.

18.4 *Governing Law; Resolution of Disputes*

18.4.1 The interpretation and enforcement of this Agreement is governed by and shall be construed and interpreted in accordance with the laws of the state of Texas, without giving effect to conflicts of interest principles. However, if, notwithstanding a contractual jurisdiction and/or venue provision that sets forth the venue and applicable law for disputes, a state's applicable law mandates that residents of a such state may bring an action against Common Sense Wellness Worldwide within such state, then jurisdiction and venue shall be as required by those laws (e.g. Louisiana). The foregoing shall apply notwithstanding language to the contrary contained in this Section 18.

18.4.2 All disputes between the parties that in any way are connected to or that arise out of this Agreement shall be resolved by arbitration only. Unless both parties agree otherwise, arbitration shall be conducted only by and before the American Arbitration Association (the "AAA"), and only in Travis County, Texas, pursuant to the Commercial Arbitration Rules of the AAA. All arbitrations shall be conducted by a panel of three (3) arbitrators, with one (1) arbitrator being selected by each party and the two (2) arbitrators so selected jointly choosing the third arbitrator. Each party shall bear its own attorney fees and the costs and expenses charged by the AAA and its arbitrators, or by a court or both, without regard to the outcome. An arbitration award shall contain a narrative explanation of the basis for the award, including, if appropriate, references to the applicable provisions of the Agreement, the relevant law, and conduct of the parties.

18.4.3 As a condition precedent to the filing of any claim to initiate an arbitration proceeding, the party who believes that a dispute exists, or that a breach (i.e., a default) of this Agreement has occurred, shall provide notice of the dispute or breach to the other and 15 calendar days opportunity to cure that breach or otherwise convince the complaining party that no claim is necessary. If the party giving the notice is not satisfied with the explanation or cure and believes that a dispute still exists, that party may then file an arbitration claim. The notice shall be in sufficient detail to fairly and reasonably apprise the other of each alleged dispute or default.

18.4.4 If either party to this Agreement believes that it will suffer irreparable damage as a result of the actions of the other party, it may seek injunctive relief, but only injunctive relief, in any state or federal court as follows: (i) if the party asserting the dispute or claim is the Independent Business Owner, a judicial application for injunctive relief must be filed in a state or federal court in Travis County, Texas; or (ii) if the party asserting the dispute or the claim is Common Sense Wellness Worldwide, a judicial application for injunctive relief must be filed (i) in a state or federal court in Travis County, Texas, or (ii) in a state or federal court in any state in which the Independent Business Owner has an office, or (iii) in the state identified as the Independent Business Owner's business address in its application to be an Independent Business Owner.

18.5 ***Non-Disparagement.*** In addition to the general non-disparagement obligations contained hereinabove, during the term of the Agreement and for a period of twenty-five (25) years following a Cancellation, each Independent Business Owner covenants and agrees that it will not, either directly or indirectly, disparage Common Sense Wellness Worldwide or any of its affiliates, members, owners, directors, managers, officers, employees or agents.



18.6 **Survival.** Provisions that survive Cancellation and therefore shall be continuing obligations of the parties to the Agreement are those relating to limitation of liability, indemnity, payment and others which by their nature are intended to survive.

18.7 **Liquidated Damages.** Each Independent Business Owner agrees and acknowledges that damages resulting to Common Sense Wellness Worldwide, its affiliates, and owners would be difficult to determine in the event of an Independent Business Owner's violation of the terms contained Sections 5.3, 6, 7, or 18.5. For this reason, and because of the difficulty of accurately proving loss and the non-feasibility of obtaining an adequate remedy, a violating Independent Business Owner agrees to pay to Common Sense Wellness Worldwide, as liquidated damages, \$10,000.00 per violation of such terms.

18.8 **Limitation of Liability.** NEITHER PARTY TO THE AGREEMENT SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF PROFITS, OR REVENUE. OTHER THAN WITH RESPECT TO INDEMNIFICATION OBLIGATIONS, COMMON SENSE WELLNESS WORLDWIDE'S MAXIMUM LIABILITY FOR ANY DAMAGES ARISING OUT OF OR RELATED TO THE AGREEMENT, WHETHER IN CONTRACT OR TORT, OR OTHERWISE, SHALL BE LIMITED TO THE AMOUNT ACTUALLY PAID TO COMMON SENSE WELLNESS WORLDWIDE BY THE RELEVANT INDEPENDENT BUSINESS OWNER.

18.9 **Number and Gender.** As used in the Agreement, the masculine, feminine, or neuter gender, and the singular or plural number shall each be deemed to include the others whenever the context so indicates.



SCHEDULE 1: DEFINITIONS

"Active Independent Business Owner" means an Independent Business Owner who satisfies the minimum Personal Volume requirements, as set forth in the Compensation Plan, to ensure that he or she is eligible to receive Compensation.

"Application" means the application to become an Independent Business Owner or Preferred Customer.

"Assigned Commission" or **"AC"** means the assigned commission to be paid on a Product. Each Product has an assigned commission (as determined by Common Sense Wellness Worldwide, in its sole discretion), and the AC is the amount that will be paid through the Compensation Plan. An Independent Business Owner's PV and OV are combined to determine the total AC volume associated with an Independent Business Owner's Marketing Organization.

"Breach", "default" and "violation" mean an actual or alleged transgression or violation of any part of the Agreement.

"Business Kit" means a Product-sample package along with a license to access to the Independent Business Owner "back office" technology and the Common Sense Wellness Worldwide mobile application for one (1) year.

"Cancellation" means the termination of the Agreement with an Independent Business Owner's business. Cancellation may be either voluntary or involuntary for breach, default, or violation, or through non-renewal or inactivity.

"Commissionable Products" means all Products on which Compensation is paid. Business Kits and sales aids are not Commissionable Products.

"Confidential Information" shall include all information that ought reasonably to be known to be of a confidential or proprietary nature, obtained during involvement as an Independent Business Owner, that is owned, developed or possessed by Common Sense Wellness Worldwide, its subsidiaries, affiliates, customers, suppliers, vendors, or other third parties with whom Common Sense Wellness Worldwide has a relationship, including, but not limited to, all verbal, written, tangible, intangible, visual, electronic, present, or future information such as: (a) trade secrets; (b) financial information, including pricing; (c) technical information, including research, development, procedures, algorithms, data, designs, product specifications, drawings, concepts, samples, intellectual property, inventions, manufacturing processes, computer programs and systems and know-how; (d) business information, including operations, planning, marketing strategies and interests, sales plans and data, products, services, sources, costs, customers, vendors, distribution methods, inventories; (e) the terms of any agreement, including the Agreement, and the discussions, negotiations and proposals related to any agreement; and (f) information acquired during any facilities tours. The Agreement shall not require Common Sense Wellness Worldwide to disclose any of its Confidential Information. Moreover, Common Sense Wellness Worldwide does not wish to receive any Confidential Information from an Independent Business Owner, and Common Sense Wellness Worldwide assumes and will have no obligation of any kind with respect to any information disclosed by an Independent Business Owner. The term **"Confidential Information"** shall not include information which an Independent Business Owner can establish by documentary or other competent evidence: (i) is part of the Official Common Sense Wellness Worldwide Materials; (ii) is or becomes generally available to the public through no fault of an Independent Business Owner; (iii) was rightfully in the possession of an Independent Business Owner prior to its receipt from Common Sense Wellness Worldwide; (iv) is disclosed with the prior written consent of Common Sense Wellness Worldwide; or (v) was independently developed by an Independent Business Owner without use of the



Confidential Information by persons who did not have access to the Confidential Information. For the purposes of this Agreement, disclosures which provide specific, detailed information shall not be deemed to be within the foregoing exceptions merely because they are embraced by more general disclosures in the public domain or in an Independent Business Owner's possession. In addition, any combination of features or components shall not be deemed to be within the foregoing exceptions merely because information about individual components are separately in the public domain or in an Independent Business Owner's possession.

"Downline", "Downline Marketing Organization" or "Downline sales organization" means the network of Independent Business Owners who exist under an Independent Business Owner pursuant to the Agreement. Any similar reference is only used for simplicity purposes. Each Independent Business Owner understands that: (a) it does not have any ownership or possessory right, title or interest in any Downline individual, entity, organization, or in any materials generated by Common Sense Wellness Worldwide or created by an Independent Business Owner, or any other individual or entity to the extent that it consists, in whole or in part, of any information about Common Sense Wellness Worldwide Downlines or any part of the Agreement; (b) the sole property interest of an Independent Business Owner with respect to downlines is the contractual right to receive Compensation as set forth in the Agreement; and (c) that Common Sense Wellness Worldwide is the sole owner of any and all Downline rights, titles, interests and materials.

"Downline Activity Report" means a monthly report generated by Common Sense Wellness Worldwide that provides critical data relating to the identities of Independent Business Owners, sales information, and enrollment activity of each Independent Business Owner's Marketing Organization. This report contains confidential and trade secret information which is proprietary to Common Sense Wellness Worldwide. It is owned solely by Common Sense Wellness Worldwide.

"End Consumer" means a person who purchases Products for the purpose of personal consumption rather than that of reselling them to someone else.

"Enrolled" means the Independent Business Owners who have been signed up as Independent Business Owners by another Independent Business Owner. To **"Enroll"** means the process of signing up an Independent Business Owner.

"Immediate Household" means the heads of a household and dependent family members residing in the same house.

"Independent Business Owner" means an individual or organization that meets the minimum criteria to become an Independent Business Owner pursuant to the Agreement. With regard to Business Entities that are Independent Business Owners, the equity holders of such Business Entities shall be subject to the obligations contained in the Agreement, and the fact that an Independent Business Owner is a Business Entity shall not prevent Common Sense Wellness Worldwide from enforcing the Agreement against the individuals who own or control such Business Entity. An individual's execution of a Common Sense Wellness Worldwide Independent Business Owner Agreement on behalf of a Business Entity shall demonstrate acceptance of the foregoing.

"Level" means the layers of Downline Independent Business Owners in a particular Independent Business Owner's Marketing Organization. This term refers to the relationship of an Independent Business Owner relative to a particular Upline Independent Business Owner, determined by the number of Independent Business Owners between them who are related by placementship. For example, if A is the Placement of B, B is the Placement of C, C is the Placement of D, and D is the Placement of E, then E is on A's fourth Level.



"Loyalty Order" means the automatic shipment of Products to an Independent Business Owner, Preferred Customer, or Retail Customer.

"Marketing Organization" means the Independent Business Owners who are placed below a particular Independent Business Owner.

"Official Common Sense Wellness Worldwide Material" means literature, audio or video tapes, and other materials developed, printed, published and distributed by Common Sense Wellness Worldwide to Independent Business Owners.

"Organizational Volume" or **"OV"** means the commissionable value of Commissionable Products generated by an Independent Business Owner's Marketing Organization, including the Independent Business Owner's Personal Volume.

"Pack" means a group of Products designated by Common Sense Wellness Worldwide that is purchased at a discounted price by an Independent Business Owner. Each Pack shall include Products for the Independent Business Owner to use and other Products to provide as samples to Retail Customers.

"Personal Production" means selling Product to an End Consumer for personal use.

"Personal Volume" or **"PV"** means the commissionable value of Commissionable Products sold in a calendar month: (1) by Common Sense Wellness Worldwide to an Independent Business Owner; and (2) by Common Sense Wellness Worldwide to the Independent Business Owner's personally enrolled Retail Customers.

"Placement Sponsor" means an Independent Business Owner under whom the Sponsor places a new Independent Business Owner.

"Preferred Customer" means a customer who has completed an Application and Agreement and purchases Products directly from Common Sense Wellness Worldwide at Independent Business Owner prices. Preferred Customers participate in Common Sense Wellness Worldwide's Customer Loyalty Order program and receive a selection of Products automatically each month.

"Products" means Common Sense Wellness Worldwide's products, including any products distributed by Common Sense Wellness Worldwide that are not owned by Common Sense Wellness Worldwide.

"Rank" means the "title" that an Independent Business Owner has achieved pursuant to the Compensation Plan.

"Recruit" means, for purposes of Common Sense Wellness Worldwide's Conflict of Interest Policy (Section 6), the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly or through a third party, another Common Sense Wellness Worldwide Independent Business Owner or Retail Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the Independent Business Owner's actions are in response to an inquiry made by another Independent Business Owner or Retail Customer.

"Restockable and Resalable" means Products and sales aids that are: (i) unopened and unused; (ii) the packaging and labeling has not been altered or damaged; (iii) the Product and packaging are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; (iv) the Product expiration date has not elapsed; and (v) the Product contains current Common Sense Wellness Worldwide labeling. Any



merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item shall not be Restockable and Resalable.

"Retail Customer" means a customer who purchases Products directly from Common Sense Wellness Worldwide at retail prices and who is not an Independent Business Owner.

"Roll-Up" means the method by which a vacancy is filled in a Marketing Organization left by an Independent Business Owner whose Independent Business Owner Agreement has been cancelled.

"Social Networking" mean the use of dedicated social media websites and applications to interact with other users, or to find people with similar interests to oneself.

"Sponsor" means is the Independent Business Owner who enrolls a new Independent Business Owner into Common Sense Wellness Worldwide. The Sponsor may "place" the new Independent Business Owner under himself or herself, or may place the new person under whom the new Independent Business Owner is placed is the new Independent Business Owner's Placement Sponsor. The same Independent Business Owner may be a new Independent Business Owner's Sponsor and Placement Sponsor.

"Suggested Retail Price" means the price at which Common Sense Wellness Worldwide suggests Independent Business Owners sell a particular Product or materials to Retail Customers.

"Terms and Conditions" means all of an Independent Business Owner's obligations contained in the Agreement.

"Upline" means the Independent Business Owner or Independent Business Owners above a particular Independent Business Owner in a Placement line up to Common Sense Wellness Worldwide. Conversely stated, it is the line of Placements that links any particular Independent Business Owner to Common Sense Wellness Worldwide.

