

STATEMENT OF POLICY & PROCEDURES UNITED STATES



FIRST THINGS
FIRST

WorldWide Erections LLC. shall be referred to as WorldWide Erections or [WE] throughout this policy and procedure. Where an individual contractor has elected to become a [WE] Independent Distributor, they agree to the following terms and conditions.

A QUICK

OVERVIEW

- Section 1 - Introduction
- Section 2 - Becoming A Distributor
- Section 3 - Operating A [WE] Business
- Section 4 - Responsibilities of Distributors
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 - Section 8 - Dispute Resolution and Disciplinary Proceedings
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 - Section 11 - Definitions



SECTION 1

INTRODUCTION

1.1 - POLICIES AND COMPENSATION PLAN INCORPORATED INTO DISTRIBUTOR AGREEMENT

These Policies and Procedures, in their present form and as amended at the sole discretion of WorldWide Erections LLC.(hereafter 'WE' or the 'Company'), are incorporated into, and form an integral part of, the WE® Distributor Agreement. Throughout these Policies, when the term 'Agreement' is used, it collectively refers to the [WE] Independent Distributor Application and Agreement, these Policies and Procedures, the [WE] Compensation Plan, and the WE Business Entity Registration Form (if applicable). These documents are incorporated by reference into the WE Distributor Agreement (all in their current form and as amended by [WE]). It is the responsibility of each Distributor to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new Distributor, the sponsoring Distributor should confirm that the applicant has online access to and has reviewed the most current version of these Policies and Procedures and the WE Compensation Plan prior to his or her execution of the Distributor Agreement.

SECTION 1

1.2 - PURPOSE OF POLICIES

[WE] is a direct sales company that markets its products and services through Independent Distributors (hereafter 'Distributor' or 'Distributors'). It is important to understand that your success and the success of your fellow Distributors depends on the integrity of the men and women who market our products and services. To clearly define the relationship that exists between Distributors and WE and to explicitly set a standard for acceptable business conduct, WE has established the Agreement.

[WE] Distributors are required to comply with all of the Terms and Conditions set forth in the Agreement which [WE] may amend at its sole discretion from time to time, as well as all federal, state, and local laws governing their [WE] business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between you, as an independent contractor, and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from your Enroller or from [WE].

SECTION 1

1.3 - CHANGES TO THE AGREEMENT

[WE] reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By signing the Distributor Agreement, a Distributor agrees to abide by all amendments or modifications that WE elects to make. Amendments shall be effective 30 days after publication of notice to all Distributors that the Agreement has been modified. Notification of amendments shall be published in official [WE] materials. The Company shall provide or make available to all Distributors a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official website; (2) electronic mail (e-mail); (3) inclusion in Company periodicals; (4) via updates in eStore; or (5) special mailings. The continuation of a Distributor's [WE] business or a Distributor's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

SECTION 1

1.4 - DELAYS

[WE] reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By signing the Distributor Agreement, a Distributor agrees to abide by all amendments or modifications that [WE] elects to make. Amendments shall be effective 30 days after publication of notice to all Distributors that the Agreement has been modified. Notification of amendments shall be published in official [WE] materials. The Company shall provide or make available to all Distributors a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official website; (2) electronic mail (e-mail); (3) inclusion in Company periodicals; (4) via updates in eStore; or (5) special mailings. The continuation of a Distributor's [WE] business or a Distributor's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

SECTION 1

1.5 - POLICIES AND PROVISIONS SEVERABLE

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

SECTION 1

1.6 - WAIVER

No party gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of a party to exercise any right or power under the Agreement or to insist upon strict compliance by the other party. No custom or practice of the parties at variance with the terms of the Agreement shall constitute a waiver of a party's right to demand exact compliance with the Agreement. A waiver can be effectuated only in writing by an authorized representative of the party against whom the waiver is sought to be enforced. A party's waiver of any particular breach shall not affect or impair its rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Distributor. The existence of any claim or cause of action against a party shall not constitute a defense to the other party's enforcement of any term or provision of the Agreement.



SECTION 2

BECOME A DISTRIBUTOR

2.1 - REQUIREMENTS TO BECOME A DISTRIBUTOR

To become a [WE] Distributor, each applicant must:

- a. Be at least 18 years of age;
- b. Reside in any country or territory that [WE] has officially announced is open for business;
- c. Have a valid Social Security or Federal Tax ID number or submit a properly completed IRS form W-9 for US Distributors;
- d. Register through the [WE] online Website under Upline Enroller Name; and
- e. Submit a properly completed Distributor Application and Agreement to [WE], either in hard copy or online format.

SECTION 2

2.1 - REQUIREMENTS TO BECOME A DISTRIBUTOR

f. When enrolling, the First and Last name fields must contain the first and last name of the Distributor who is enrolling. If enrolling a business, the first and last name of the person responsible for the business must be entered. It is not acceptable to enter the business name in the first and last name fields. If entering a business name in the United States, the business must be registered with the IRS with an EIN and must not be a sole proprietorship. Any business names that are not registered with the IRS or that are sole proprietorship may be used on the replicated website but may not be entered on the account as an entity name.

SECTION 2

2.2 - NO PRODUCT PURCHASE REQUIRED

No person is required to purchase WE products, services or sales aids, or to pay any charge or fee to become a Distributor other than to register online. In order to familiarize new Distributors with WE products, services, sales techniques, sales aids, and other matters, the Company recommends that they can purchase samples at their own discrepancy.

SECTION 2

2.3 - DISTRIBUTOR BENEFITS

Once a Distributor Application and Agreement has been accepted by [WE], the benefits of the Compensation Plan and the Distributor Agreement are available to the new Distributor. These benefits include the right to:

- a. Sell and solicit orders for [WE] products and services;
- b. Participate in the WE Compensation Plan (receive bonuses and commissions, if eligible);
- c. Sponsor other individuals as Customers or Distributors into the WE business and thereby build a Marketing Organization and progress through the [WE] Compensation Plan;
- d. Receive periodic [WE] literature and other WE communications and have access to [WE] online sales and business tools;
- e. Participate in [WE]-sponsored support, service, training, motivational and recognition functions upon payment of appropriate charges, if applicable; and
- f. Participate in promotional and incentive contests and programs sponsored by [WE] for its Distributors.

SECTION 2

2.4 - TERM AND RENEWAL OF YOUR WE BUSINESS

The term of the Distributor Agreement is one [1] year from the date of its acceptance by WE (subject to prior termination or reclassification pursuant to Section 10). Distributors must renew their Distributor Agreement each year by paying an annual renewal fee of \$35 on or before the anniversary date of their Distributor Agreement. If the renewal fee is not paid within 30 days after the expiration of the current term of the Distributor Agreement, the Distributor Agreement will be canceled.

SECTION 2

2.5 - COMPANY TRANSFER OF DISTRIBUTORS

[WE], including but not limited to any of its affiliates and/or subsidiaries, may transfer or assign the Distributor Agreement in its sole discretion. In the case that the Distributor does not accept the transfer or assignment, it may provide written notice that it wishes to terminate the Agreement. In the event of such notice being provided, the termination will become effective immediately. In the event WE chooses not to transfer a Distributor Agreement termination will be effective immediately. If a Distributor does not issue a written notice of termination to WE the Distributor shall be deemed to consent to the transfer or assignment.



SECTION 3

OPERATING A [WE] BUSINESS

3.1 - ADHERENCE TO THE WE COMPENSATION PLAN

Distributors must adhere to the terms of the [WE] Compensation Plan as set forth in official WE literature. Distributors shall not offer the WE opportunity through, or in combination with, any marketing system, program, or method of marketing other than that specifically set forth in official [WE] literature. Distributors shall not require or encourage other current or prospective Customers or Distributors to participate in [WE] in any manner that varies from the program as set forth in official [WE] literature. Distributors shall not require or encourage other current or prospective Customers or Distributors to execute any agreement or contract other than official [WE] agreements and contracts in order to become a [WE] Distributor. Similarly, Distributors shall not require or encourage other current or prospective Customers or Distributors to make any purchase from, or payment to, any individual or other entity to participate in the [WE] Compensation Plan other than those purchases or payments identified as recommended or required in official WE literature.

SECTION 3

3.2 - ADVERTISING

3.2.1 - GENERAL

All Distributors shall safeguard and promote the good reputation of WE and its products. The marketing and promotion of [WE], the [WE] opportunity, the Compensation Plan, and [WE] products and services shall be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices. To promote both the products and services, and the tremendous opportunity [WE] offers, Distributors must use the sales aids and support materials produced or approved by [WE]. The rationale behind this requirement is simple. If [WE] Distributors were allowed to develop their own sales aids and promotional materials, notwithstanding their integrity and good intentions, there is a high likelihood that they would unintentionally violate any number of statutes or regulations affecting a [WE] business. These violations, although they may be relatively few in number, would jeopardize the [WE] opportunity for all Distributors.

SECTION 3

3.2 - ADVERTISING

3.2.2 - MARKETING AND LEAD GENERATION SYSTEMS

The system shall make no product or income claims. Accordingly, Distributors must submit all proposed personal development system, coaching system, sales aids, lead generation systems, promotional materials, advertisements, and other literature to the Company for approval to worldwiderrections@gmail.com Unless the Distributor receives specific written approval to use such tools, the request shall be deemed denied. Independently produced websites are not permitted unless approved by the Company. [WE] shall not permit Distributors to sell any systems or sales aids to other [WE] Distributors. Therefore, Distributors who receive authorization from [WE] to produce their own sales aids may not sell such material to any other [WE] Distributor. Distributors may make approved material available to other Distributors free of charge if they wish, but may not charge other [WE] Distributors for the material unless express written approval is received from the Company. Distributors are prohibited from reproducing or copying written documents or marketing materials, films or sound recordings identical or deceptively similar to any materials produced by the Company.

SECTION 3

3.2 - ADVERTISING

3.2.2 - MARKETING AND LEAD GENERATION SYSTEMS

Any Distributor receiving written authorization from [WE] to produce sales tools grants [WE] an irrevocable and royalty free license to use such tools, and to make such tools available to other Distributors. [WE] further reserves the right to rescind approval for any personal development or coaching systems, sales tools, promotional materials, advertisements, or other literature, and Distributors waive all claims for damages or remuneration arising from or relating to such rescission.

SECTION 3

3.2 - ADVERTISING

3.2.3 - DISTRIBUTOR WEBSITES

If a Distributor desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company's replicated website program. This program permits Distributors to advertise on the Internet and can be personalized with the Distributor's message and the Distributor's contact information. These websites seamlessly link directly to the official [WE] website giving the Distributor a professional and Company approved presence on the Internet. No Distributor may independently design a website that uses the names, logos, or product descriptions of [WE] or otherwise promotes (directly or indirectly) [WE] products or the [WE] opportunity, unless previously approved by the [WE] Compliance Team . A Distributor may not use 'blind' ads on the Internet that make product or income claims which are ultimately associated with [WE] products, the [WE] opportunity, or the [WE] Compensation Plan. See Social Media and Internet Addendum to Policies and Procedures, infra for additional information.

SECTION 3

3.2 - ADVERTISING

3.2.4 - BLOGS, CHAT ROOMS, SOCIAL NETWORKS, ONLINE AUCTIONS, AND OTHER ONLINE FORUMS

Except as expressly provided for in these Policies and Procedures, Distributors shall not use online blogs, chat rooms, social networks, online auction sites, or any other online forum to sell [WE] products or services.. See Social Media and Internet Addendum to Policies and Procedures, for Company Policies relating to Social Media usage.

3.2 - ADVERTISING

3.2.5 - DOMAIN NAMES AND EMAIL ADDRESSES

Distributors may not use or attempt to register any of [WE] trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain or replicated website name. Nor may Distributors incorporate or attempt to incorporate any of the Company's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, into any electronic mail address. If any Distributor owns or otherwise controls domain names or email addresses related to the Company business or its products and services, Company reserves the right to require the Distributor to transfer ownership and control to Company at the cost Distributor paid for such domain names or email addresses.

SECTION 3

3.2 - ADVERTISING

3.2.6 - TRADEMARKS AND COPYRIGHTS

[WE] will not allow the use of its trade names, trademarks, designs, or symbols by any person, including [WE] Distributors, without its prior written permission. Distributors may not produce for sale or distribution any recorded Company events and speeches without written permission from [WE] nor may Distributors reproduce for sale or for personal use any recording of Company-produced audio or videotape presentations.

SECTION 3

3.2 - ADVERTISING

3.2.7 - MEDIA AND MEDIA INQUIRIES

[WE] Independent Distributors are not authorized to speak to any media source, including but not limited to radio, television, reporters for newspapers, magazines, advertisement outlets, or bloggers. Distributors must not attempt to respond to media inquiries regarding [WE], its products or services, or their independent [WE] business. All inquiries by any type of media must be immediately referred to the [WE] Public Relations Department at worldwiderrections@gmail.com. [WE] PR Department will review the media referral and decide whether or not we will corporately proceed. This policy is designed to assure that accurate and consistent information and a proper public image are provided to the public. Distributors may not utilize media outlets for advertising, distribution or promotion of [WE] products or opportunity without the express written consent of [WE] PR or Compliance Departments. [WE] does not allow use of celebrity pictures or endorsements indicating use of [WE] products or services. [WE] also does not allow Distributors to make claims on images that are not their own or for which they do not have permission.

SECTION 3

3.2 - ADVERTISING

3.2.8 - UNSOLICITED EMAIL

[WE] does not permit Distributors to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN-SPAM Act. Any email sent by a Distributor that promotes [WE], the [WE] opportunity, or [WE] products and services must comply with the following:

- a. There must be a functioning return email address to the sender.
 - b. There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning 'opt-out' notice).
 - c. The email must include the Distributor's physical mailing address.
 - d. The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
 - e. The use of deceptive subject lines and/or false header information is prohibited.
- Company.

SECTION 3

3.2 - ADVERTISING

3.2.9 - UNSOLICITED FAXES OR AUTOMATED DIALING SYSTEMS

Except as provided in this section, Distributors may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their [WE] 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. The term 'unsolicited faxes' means the transmission via telephone facsimile of any material or information advertising or promoting [WE], its products, the Compensation Plan or any other aspect of the Company which is transmitted to any person, except that these terms do not include a fax: (a) to any person with that person's prior express written invitation or permission; or (b) to any person with whom the Distributor 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 a Distributor and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Distributor; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

SECTION 3

3.2 - ADVERTISING

3.2.10 - PRINT CLASSIFIED ADS

Some Distributors use classified advertising in the newspapers to find prospects. The following rules apply:

- a. No advertisement may imply that a 'job' or 'position' is available.
- b. No specific income may be promised.
- c. Advertisements must contain no misleading facts or distortions of the Company opportunity or product line.
- d. You must state that the opportunity is for an "Independent Distributor for WorldWide Erections LLC.

SECTION 3

3.3 - BONUS BUYING PROHIBITED

Bonus buying is strictly and absolutely prohibited. 'Bonus buying' includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Independent Distributor Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as a Distributor or Customer; (c) the enrollment or attempted enrollment of nonexistent individuals or entities as Distributors or Customers ('phantoms'); (d) purchasing excessive amounts of goods or services that cannot reasonably be used or resold in a month; (e) attempt to cross sponsor or re-enroll an existing customer or distributor; or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bonaifide product or service purchases by end user consumers. A Distributor is allowed a total of 5 order transfer requests per month with a total bonus volume limit of 1,000 BV without violating this provision. The order can only be transferred to a distributor in the down-line of the distributor requesting the order transfer. Orders may only be transferred in full and may only be transferred once.

SECTION 3

3.3 - BONUS BUYING PROHIBITED

An order transfer is where a Distributor places an order under themselves and then requests that this order be moved under another Distributor. Once a Distributor has reached the limit of 5 requests for the month, all other requests will be denied. Orders may not be moved to or from a Devoted or Direct Customer. A Distributor may not also be a Devoted Customer. Distributors are prohibited from placing orders directly on another Distributor or Devoted Customer account using their own or a prepaid credit card to make payments or use another account to ship orders to themselves. All bonuses, applicator rewards, product credits, and commissions earned belong to the account holder and can only be redeemed by the account holder. A Distributor found to be in violation of this policy will be subject to the disciplinary sanctions as set forth in Section 8.1.

SECTION 3

3.4 - BUSINESS ENTITIES

A corporation, limited liability company (LLC), partnership or trust (collectively referred to in this section as a 'Business Entity') may apply to be a [WE] Distributor by submitting its Certificate of Incorporation, Certificate of Organization, Partnership Agreement or trust documents (these documents are collectively referred to as the 'Entity Documents') to WE, along with a properly completed Distributor Application and Agreement. If a Distributor enrolls online, the Entity Documents must be submitted to WE within 30 days of the online enrollment. (If not received within the 30-day period, the Distributor Agreement shall automatically terminate.) Members of the entity are jointly and severally liable for any indebtedness or other obligation to WE.

To prevent the circumvention of Section 3.27 (regarding transfers and assignments of a [WE] business), if an additional partner, shareholder, member, or other business entity affiliate is added to a business entity, the original applicant must remain as a party to the original Distributor Application and Agreement.

SECTION 3

3.4 - BUSINESS ENTITIES

If the original Distributor wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her business in accordance with Section 3.27. If this process is not followed, the business shall be canceled upon the withdrawal of the original Distributor. All bonus and commission checks will be sent to the address of record of the original Distributor. Please note that the modifications permitted within the scope of this paragraph do not include a change of sponsorship. Changes of sponsorship are addressed in Section 3.5, below. There is a \$35 USD fee for each change requested, which must be included with the written request and the completed Distributor Application and Agreement. [WE] may, at its discretion, require notarized documents before implementing any changes to a [WE] business. Please allow thirty (30) days after the receipt of the request by [WE] for processing.

SECTION 3

3.4.1 - CHANGES TO A BUSINESS ENTITY

A [WE] business may change its status under the same Enroller from an individual to a partnership, LLC, corporation or trust, or from one type of entity to another. There is a \$35 USD fee for each change requested, which must be included with the written request and the completed Distributor Application and agreement. Such changes are effective once form is submitted, processed and approved. In addition, Distributors operating their WE businesses utilizing a business entity must notify [WE] of the addition or removal of any officers, directors, shareholders, managers, members or business associates of the business entity.

SECTION 3

3.5 - CHANGE OF ENROLLER OR PLACEMENT

To protect the integrity of all [WE] Marketing Organizations and to safeguard the hard work of all Distributors, requests for enroller or placement changes from one Distributor to another are rarely if ever permitted.

Requests for change of enroller or placement must be submitted in writing via ticket submission and must include the reason(s) for the change. Changes will only be considered in the following two circumstances:

a. In cases in which the new Distributor is enrolled by someone other than the individual he or she was led to believe would be his or her Enroller, a Distributor may request that he or she be transferred to another organization with his or her entire Marketing Organization intact. All request for transfer alleging fraudulent enrollment practices shall be evaluated on a case-by-case basis. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within 24 hours from the date of enrollment. The Distributor requesting the change has the burden of proving that he or she was placed beneath the wrong Distributor.

SECTION 3

3.5 - CHANGE OF ENROLLER OR PLACEMENT

b. In the event of placement error during sign up, placement changes for Distributors and Devoted Customers must be requested through Customer Service within 24 hours of enrollment. For security purposes, changes can only be requested by the original Enroller or the Distributor/Devoted Customer being moved. In the event of an enrollment error during sign up, enrollment changes for Distributors or Devoted Customers must be requested by the new enrollee through Customer Service within 24 hours of enrollment. Requests for placement or enrollment corrections cannot be made for those who have a start date prior to the enrollment date of the Devoted Customer or Distributor they are requesting to be moved under. Only the first request for placement or enrollment correction for a new Devoted Customer or Distributor will be honored. We are unable to accept third party requests for these changes. Any disputes will need to be verified by the enrollee being moved and will only be done with Company approval. Direct Customers cannot be moved. If there is a change requested for any other purpose other than user error during sign up, then WE shall evaluate the situation on a case-by-case basis. The enrollee requesting the change has the burden of proving that he or she was placed beneath the wrong Enroller. In cases wherein the appropriate Enroller change procedures

SECTION 3

3.5 - CHANGE OF ENROLLER OR PLACEMENT

have not been followed, and a Marketing Organization has been developed in the second business developed by a Distributor, [WE] reserves the sole and exclusive right to determine the final disposition of the Marketing Organization. Resolving conflicts over the proper placement of a down-line that has developed under an organization that has improperly switched Enrollers is often extremely difficult. Therefore, DISTRIBUTORS WAIVE ANY AND ALL CLAIMS AGAINST WE THAT RELATE TO OR ARISE FROM THE WE DECISION REGARDING THE DISPOSITION OF ANY MARKETING ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION OR DISTRIBUTOR THAT HAS IMPROPERLY CHANGED LINES OF ENROLLMENT.

SECTION 3

3.5.1 - CANCELLATION AND REAPPLICATION

A Distributor may legitimately change organizations, sponsorships, or leadership level Enrollers by voluntarily cancelling his or her [WE] business and remaining inactive (i.e., no purchases of WE products for resale, no sales of WE products, no sponsoring, no attendance at any WE functions, and no participation in any other form of Distributor activity or operation of any other [WE] business) for three (3) months. This three month prohibition applies to spouses, immediate family members and businesses. Following the three month period of inactivity, the former Distributor may reapply under a new Enroller; however, the former Distributor's Marketing Organization will remain in the original line of sponsorship. [WE] will consider waiving the three month waiting period under exceptional circumstances. Such requests for waiver must be submitted to WE in writing.

SECTION 3

3.6 - UNAUTHORIZED CLAIMS AND ACTIONS

3.6.1 - INDEMNIFICATION

A Distributor is fully responsible for all of his or her verbal and written statements made regarding [WE] products, services, and the Compensation Plan which are not expressly contained in official [WE] materials. Distributors agree to indemnify [WE] and [WEs'] directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by [WE] as a result of the Distributor's unauthorized representations or actions. This provision shall survive the termination of the Distributor Agreement.

SECTION 3

3.6 - UNAUTHORIZED CLAIMS AND ACTIONS

3.6.2 - PRODUCT CLAIMS AND TESTIMONIALS

No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by [WE] may be made except those contained in official [WE] literature. In particular, no Distributor may make any claim that [WE] products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate [WE] policies, but they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act. Company products may only be advertised and used according to the label specifications at the specified dosage. Unless the label specifically states that the product is suitable for children, Company products are to be used by adults only. Testimonials must receive written approval from [WE]' corporate Compliance Department before being posted or published in any forum. Send submissions via support ticket in your eStore in the Compliance Approvals category.

SECTION 3

3.6 - UNAUTHORIZED CLAIMS AND ACTIONS

3.6.3 - BEFORE AND AFTER PHOTOS

[WE] recommends using corporate approved Before and After photographs located on the [WE] Corporate Facebook page and in eStore. These Before and After photos are preapproved for use and have the proper disclaimers attached. In the event that you wish to create your own Before and After photos they must either be your own personal images or you must have written permission to use the images from the person in the image utilizing the Consent Form located in eStore. If you do not have personal written permission, you cannot post (or re-post) a picture on Facebook or other social media. All Before and After photos must meet company branding standards and be approved by the Compliance Department before posting. Please reference the Before and After Photo Guidelines in eStore for exact direction.

SECTION 3

3.6 - UNAUTHORIZED CLAIMS AND ACTIONS

3.6.4 - INCOME CLAIMS AND THE INCOME

Disclosure Statement When presenting the [WE] business or discussing the Compensation Plan with a prospective Distributor, or if a Distributor makes an income representation to a prospective Distributor, the Distributor must provide the prospect with a copy of [WE] Income Disclosure Statement (the "IDS"). The terms 'income representation' and/or 'earnings representation' (collectively 'income claim') include: (1) statements that a specific amount of income has been or may be easily achieved, (2) statements that, although not specifically stating a given income level has been or may be achieved, imply that such income is possible, (3) statements of earning ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of 'statements of non-average earnings' include,

"Our number one Distributor earned XXX dollars last year" or "Our average (rank) makes XXX per month." An example of a 'statement of earnings ranges' is "The monthly income for (rank) is XXX on the low end to YYY on the high end." A lifestyle income claim typically includes statements (or pictures) involving large homes, luxury cars, exotic vacations, or other items suggesting or implying wealth. They also consist of references to the achievement of one's dreams, having everything one always wanted,

SECTION 3

3.6 - UNAUTHORIZED CLAIMS AND ACTIONS

3.6.4 - INCOME CLAIMS AND THE INCOME

and are phrased in terms of 'opportunity' or 'possibility' or 'chance.' Claims such as "My [WE] income exceeded my salary after six months in the business," or "Our [WE] business has allowed my wife to come home and be a full-time mom" also fall within the category of 'lifestyle' claims. A hypothetical income claim exists when you attempt to explain the operation of the Compensation Plan through the use of a hypothetical example. Certain assumptions are made regarding the: (1) number of Distributors sponsored, (2) number of downline Distributors, (3) average product volume per Distributor, and (4) total organizational volume. Running these assumptions through the Compensation Plan yields income figures which constitute income claims. In any non-public meeting (e.g., a home meeting, one-on-one, regardless of venue) with a prospective Distributor or Distributors in which the Compensation Plan is discussed or any type of income claim is made, you must provide the prospect(s) with a copy of the IDS. Copies of the IDS may be printed or downloaded without charge through eStore and is also viewable on the corporate website at www.worldwiderrections.com

SECTION 3

3.7 - COMMERCIAL OUTLETS

In general, Distributors may not sell [WE] products from a commercial outlet, nor may Distributors display or sell WE products or literature in any Devoted establishment. The exception to this rule involves sales in service establishments where the nature of the business is to service customers and no competing products are sold by the facility. These types of businesses include, but are not limited to, barbershops, salons, doctor offices, and health clubs. The sale of products within these facilities must be conducted by a Distributor whereby the prospect is introduced to the products and opportunity just as if they met outside of the Devoted facility. Only Company-produced literature, banners and signage may be used and may be displayed on a shelf, counter, or wall by itself. No products may be openly displayed from a shelf for Devoted sale. Company products may not be rebranded in any way, and all Company trademarks must be displayed. No Company product may be marketed as a generic product or service.

SECTION 3

3.7.1 - CALIFORNIA DEVOTED SALE

In California dietary supplements may not be sold in any Devoted establishments. All customer orders must be submitted through the Company website or eStore.

SECTION 3

3.8 - TRADE SHOWS, EXPOSITIONS AND OTHER SALES FORUMS

Distributors may display and/or sell [WE] products at trade shows and professional expositions in the countries we are officially open for business. The Company policy is to authorize only one [WE] business per event. Company recommends registering under the name “WE Independent Distributor” and inquiring if there are any other registrants using that name. WE further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the [WE] opportunity. No Distributor may sell or promote the Company's products or business opportunity at swap meets, garage sales, flea markets or farmers markets as these events are not conducive to the professional image that [WE] wishes to portray. When attending an event you must adhere to the following policies relative to participation in temporary sales forums:

a. Only one [WE] booth is allowed per show or event. It is your responsibility to check with the show manager or promoter to ensure there are no other Distributors contracted before you contract for space.

SECTION 3

3.8 - TRADE SHOWS, EXPOSITIONS AND OTHER SALES FORUMS

- b. Only current [WE] Independent Distributors are authorized to contract for booth space exhibiting [WE] products. The contract is between the Independent Distributor and the Event Sponsor. [WE] is not, and may not be made, a party to a contract between you and an event organizer.
- c. You must also write on the contract, or in a cover letter you attach to the contract, that It Works has a one-booth-per-show policy and that, in making the show or event manager aware of our policy, you are asking in writing that the show not allow other [WE] Independent Distributors to display or sell [WE] products.
- d. Company products and opportunity are the only products or opportunity that may be offered by Distributor at the trade show. Only Company-produced or approved marketing materials may be displayed or distributed.

SECTION 3

3.8.1 - DOUBLE-BOOKINGS DISPUTE RESOLUTION

In the event of a double-booking, the Independent Distributor with a valid/signed contract and proof of payment from the event company with the earliest date will be allowed to do the event if:

- a. The application has been filled out completely and accurately per [WE] policies; and
- b. The second applicant was aware that there was a [WE] booth already contracted and paid, but the second applicant signed up anyway.

Not all shows follow the same policies regarding multiple vendors from the same company at their events. Some event managers will knowingly double-book because their policies do not limit the number of vendors from any one company. In the event there is a double-booking, and both parties filled out applications appropriately, made the event manager aware of Company policy to only have one vendor per show, and were unaware of the other Consultant, there are three (3) options: 1. Work with the other Distributor to come up with an equitable agreement to do the show together in a single booth or to operate a separate booth at the same show. 2. Ask the event promoter to have the second contracted Distributor removed from the show. (This will only work if you have followed the procedure

SECTION 3

3.8.1 - DOUBLE-BOOKINGS DISPUTE RESOLUTION

to inform the manager of [WE] policy of only allowing one booth per show in writing, AND if they are willing to cooperate.) 3. Request that the event manager refund your money. (This will also only work if you have followed the procedure to inform the manager of our policy of only allowing one booth per show.)

SECTION 3

3.9 - CONFLICTS OF INTEREST

3.9.1 - NON-SOLICITATION

[WE] Distributors are free to participate in other non-competing multilevel or network marketing business ventures or marketing opportunities (collectively 'network marketing'). However, during the term of this Agreement, Distributors may not directly or indirectly Recruit other [WE] Distributors or Customers for any other network marketing business. Following the cancellation of a Distributor's Agreement, and for a period of six (6) calendar months thereafter, with the exception of a Distributor who was personally sponsored by the former Distributor, a former Distributor may not recruit any [WE] Distributor or Customer for another network marketing business. Distributors and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entirety of North America and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Distributors and WE agree that this non-solicitation provision shall apply to all markets in which [WE] conducts business.

SECTION 3

3.9 - CONFLICTS OF INTEREST

3.9.1 - NON-SOLICITATION

The term 'Recruit' means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another [WE] Distributor or Devoted Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. The conduct described in the preceding sentence constitutes Recruiting even if the Distributor's actions are in response to an inquiry made by another Distributor or Devoted Customer. Announcement that a Distributor is joining a new network marketing opportunity on his or her Facebook page or other social media site also constitutes Recruiting as such announcements are veiled efforts to induce inquiries from others about the new opportunity that the Distributor has joined.

SECTION 3

3.9 - CONFLICTS OF INTEREST

3.9.2 - SALE OF COMPETING GOODS OR SERVICES

Distributors must not sell, or attempt to sell, any competing non-[WE] programs, products or services. Any program, product or service that is offered through network marketing or multi-level marketing in the same generic categories as [WE] products or services is deemed to be competing, regardless of differences in cost, quality, or other distinguishing factors.

SECTION 3

3.9 - CONFLICTS OF INTEREST

3.9.3 - DISTRIBUTOR PARTICIPATION IN OTHER

Direct Selling Programs If a Distributor is engaged in other non-[WE] direct selling programs, it is the responsibility of the Distributor to ensure that his or her WE business is operated entirely separate apart from any other program in which the Distributor participates whether online or offline. To this end, the following must be adhered to:

- a. The Distributor shall not display [WE] promotional materials, sales aids, products or services with or in the same location as any non-[WE] promotional materials, sales aids, products or services.
- b. The Distributor may not offer the [WE] opportunity, products or services to prospective or existing Customers or Distributors in conjunction with any non-WE program, opportunity, product or service.
- c. The Distributor may not offer any non-WE opportunity, products, services, or opportunity at any [WE]-related meeting, seminar or convention, or within two hours and a five mile radius of the [WE] event. If the [WE] meeting is held telephonically or via the internet, any non-[WE] meeting must be at least two hours before or after the [WE] meeting, and on a different conference telephone number or internet web address from the [WE] meeting.

SECTION 3

3.9 - CONFLICTS OF INTEREST

3.9.4 - DOWNLINE ACTIVITY (GENEALOGY)

Reports and eStore Access. Downline Activity Reports are available for Distributor access and viewing at the Company eStore of each Distributor's replicated [WE] website. Furthermore, access to a Downline Activity Report is a privilege and not a right. [WE] reserves the right to suspend a Distributor's access to a Downline Activity Report if the Company reasonably believes that the Distributor is utilizing, sharing or posting the Downline Activity Report inappropriately. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to [WE]. The Distributor and [WE] agree that, but for this agreement of confidentiality and nondisclosure, [WE] would not provide Downline Activity Reports to the Distributor. A Distributor shall not, on his or her own behalf, or on behalf of any other person or entity:

- a. Directly or indirectly use or disclose any information contained in any Downline Activity Report or in eStore to any third party;
- b. Directly or indirectly disclose the password or other access code to his or her eStore;

SECTION 3

3.9 - CONFLICTS OF INTEREST

3.9.4 - DOWNLINE ACTIVITY (GENEALOGY)

- c. Use the information contained in any Downline Activity Report or eStore to compete with [WE] or for any purpose other than managing or supporting his or her [WE] business; or
- d. Recruit or solicit any Distributor or Customer listed on any Downline Activity Report or in eStore, or in any manner attempt to influence or induce any Distributor or Customer to alter their business relationship with [WE]. Upon demand by the Company, any current or former Distributor will return the original and all copies of Downline Activity Reports or other information to the Company.

SECTION 3

3.11 - CROSS-SPONSORING

Actual or attempted cross-sponsoring is strictly prohibited. 'Cross-sponsoring' is defined as the enrollment of an individual or entity that already has a current Customer or Distributor Agreement on file with [WE], or who has had such an agreement within the preceding six (6) calendar months, within a different line of sponsorship or leadership level Enrollers. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers or any straw-man or other artifice to circumvent this policy is prohibited. Distributors shall not demean, discredit or defame other [WE] Distributors in an attempt to entice another Distributor to become part of the first Distributor's Marketing Organization. This policy shall not prohibit the transfer of a [WE] business in accordance with Section 3.27.

SECTION 3

3.11 - CROSS-SPONSORING

If Cross-sponsoring is discovered, it must be brought to the Company's attention immediately. [WE] may take disciplinary action against the Distributor that changed organizations and/or those Distributors who encouraged or participated in the Cross-sponsoring. [WE] may also move all or part of the offending Distributor's Marketing Organization to his or her original Marketing Organization if the Company deems it equitable and feasible to do so. However, [WE] is under no obligation to move the Cross-sponsored Distributor's Marketing Organization and the ultimate disposition of the organization remains in the sole discretion of [WE]. Distributors waive all claims and causes of action against [WE] arising from or relating to the disposition of the cross-sponsored Distributor's Marketing Organization.

SECTION 3

3.12 - ERRORS OR QUESTIONS

Distributors must notify the Company within three (3) days following month end if they believe volume and/or rank is incorrect. After verifying rank and volume, if a Distributor believes any errors have been made regarding commissions or bonuses, the Distributor must notify [WE] in writing within 30 days of the date of the alleged error or incident in question. [WE] will not be responsible for any errors, omissions or problems not reported to the Company after these dates.

3.13 - 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, Distributors shall not represent or imply that [WE] or its Compensation Plan have been 'approved', 'endorsed' or otherwise sanctioned by any government agency.

SECTION 3

3.14 - HOLDING APPLICATIONS OR ORDERS

Distributors must not manipulate enrollments of new applicants and purchases of products. All Distributor Applications and Agreements and product orders must be sent to [WE] within 72 hours from the time they are signed by a Distributor or placed by a Customer, respectively. Any changes in placement of volume must be completed within 24 hours of entry of product orders.

3.15 - IDENTIFICATION

All US Distributors are required to provide their Social Security Number or a Federal Employer identification Number to [WE] through the Distributor Application and Agreement. Upon enrollment, the Company will provide a unique Distributor Identification Number to the Distributor by which he or she will be identified. This number will be used to place orders and track commissions and bonuses.

SECTION 3

3.16 - INCOME TAXES

Each Distributor is responsible for paying local, state and federal taxes on any income generated as an Independent Distributor. If a [WE] business is tax exempt, the Federal Employer Identification Number must be provided to [WE]. Every year, [WE] will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident 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.

3.17 - INDEPENDENT CONTRACTOR STATUS

Distributors are independent contractors and are not purchasers of a franchise or a business opportunity. The agreement between [WE] and its Distributors does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Distributor. Distributors shall not be treated as an employee for his or her services or for federal or state tax purposes. All Distributors are responsible for paying local, state, and federal taxes due from all compensation earned as a Distributor of the Company. The Distributor has no authority (expressed or implied), to bind the Company to any obligation.

SECTION 3

3.17 - INDEPENDENT CONTRACTOR STATUS

Each Distributor shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Distributor Agreement, these Policies and Procedures, and applicable laws.

The name of [WE] and other names as may be adopted by [WE] are proprietary trade names, trademarks and service marks of [WE]. As such, these marks are of great value to [WE] and are supplied to Distributors for their use only in an expressly authorized manner. Use of the [WE] name on any item not produced by the Company is prohibited, except as follows:

[Distributor's Name] Independent Distributor for [WE].

All Distributors may list themselves as an '[WE]® Independent Distributor' in the white or yellow pages of a telephone or online directory under their own name. No Distributor may place telephone directory display ads using [WE]' name or logo. Distributors may not answer the telephone by saying "WE", "WE Incorporated", or in any other manner that would lead the caller to believe that he or she has reached corporate offices of [WE].

SECTION 3

3.18 - INSURANCE

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not cover business related injuries or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple 'Business Pursuit' endorsement attached to your present homeowner's policy. The Company maintains product liability insurance for all of its products. A copy of the Vendor Insurance Form can be found in your eStore under the Forms section of the Documents tab. If the event you are attending requires a named insured, please complete the Liability Certificate of Insurance Form that includes: date of event, all names to be insured, event holder name and address, and address where event is being held. Once completed a copy of the Vendor Insurance form will be emailed to the distributor that submitted the form. Please make sure to submit your request no later than ten (10) business days prior to your event.

SECTION 3

3.19 - INTERNATIONAL MARKETING

Because of critical legal and tax considerations, WE must limit the resale of [WE] products and services, and the presentation of the [WE] business to prospective Customers and Distributors located within the United States, U.S. Territories, and those other countries that the Company has announced are officially opened for business. Moreover, allowing a few Distributors to conduct business in markets not yet opened by [WE] would violate the concept of affording every Distributor the equal opportunity to expand internationally.

Accordingly, Distributors are authorized to sell WE products and services and enroll Customers or Distributors only in the countries in which [WE] is authorized to conduct business, as announced in official Company literature. [WE] products or sales aids cannot be shipped into or sold in any country that has not been officially opened to do business. Distributors may sell, give, transfer, or distribute [WE] products or sales aids only in the country in which the Company is authorized to conduct business. In addition, no Distributor may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential Customers or Distributors; or

SECTION 3

3.19 - INTERNATIONAL MARKETING

(c) conduct any other activity for the purpose of selling [WE] products, establishing a Marketing Organization, or promoting the [WE] opportunity unless and until authorized by Company. Anyone found enrolling a customer or Distributor in an unopened country will be subject to discipline according to Section 8; plus all commissions earned from a leg operating in an unopened country shall be subject to claw-back and the illegally enrolled leg shall be cancelled. Therefore, any illegally enrolled customer or Distributor will be terminated. For further information regarding Company international policies, see each opened country's legal documents located on the website or in eStore.

SECTION 3

3.20 - INVENTORY LOADING

Distributors must never purchase more products than they can reasonably use or sell in a month and must not influence or attempt to influence any other Distributor to buy more products than they can reasonably use or sell in a month. The Company follows the 70% industry standard whereby Distributors may not order additional product unless they have sold or used for personal or family use at least 70% of previously purchased product. Although the primary function of the Company is to sell products to the general consuming public, the Company realizes that its Distributors may wish to purchase product for personal or family use in reasonable amounts. For this reason, the company defines a Devoted sale to include sales to non-participants, as well as purchases for personal or family use in reasonable amounts, which are not made primarily for purposes of qualification or advancement.

SECTION 3

3.21 - ADHERENCE TO LAWS AND ORDINANCES

Distributors shall comply with all Federal, State, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances are not applicable to Distributors because of the nature of their business. However, Distributors must obey those laws that do apply to them. If a city or county official tells a Distributor that an ordinance applies to him or her, the Distributor shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of [WE]. In many cases, there are exceptions to the ordinance that may apply to W[E] Distributors.

3.22 - MINORS

Devoted Customers, Devoted Customers and Distributors must be at least 18 years of age as our products are intended for use by adults only. Distributors shall not enroll or recruit minors into the [WE] program or they shall be subject to disciplinary sanctions as set forth in Section 8.1

SECTION 3

3.23 - ONE WE-BUSINESS PER DISTRIBUTOR AND PER HOUSEHOLD

A Distributor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one [WE] business. No individual may have, operate or receive compensation from more than one [WE] business. Individuals of the same family unit may not enter into or have an interest in more than one WE business. A family unit is defined as spouses and dependent children living at or doing business at the same address. As an accommodation to Distributors, the Company allows two (2) Distributor accounts per household as long as separate Social Security Numbers are on file and the businesses are operated separately. Therefore, husbands and wives are allowed to have separate accounts, but one spouse must be placed directly beneath the other and cannot run business in separate legs. Existing Distributors with multiple accounts may be grandfathered or asked to consolidate accounts at the sole discretion of Company.

SECTION 3

3.24 - ACTIONS OF HOUSEHOLD MEMBERS OR AFFILIATED INDIVIDUALS

If any member of a Distributor's immediate household engages in any activity that, if performed by the Distributor, would violate any provision of the Agreement, such activity will be deemed a violation by the Distributor and [WE] may take disciplinary action pursuant to these Policies and Procedures against the Distributor. If a Distributor cancels his or her position for any reason, then no member of the immediate household may join the Company without waiting the required time period. If a Distributor is terminated, then no member of the immediate household may join the Company without written permission from [WE]. Similarly, if any individual associated in any way with a corporation, partnership, trust or other entity (collectively 'affiliated individual') violates the Agreement, such action(s) will be deemed a violation by the entity, and [WE] may take disciplinary action against the entity.

SECTION 3

3.25 - REQUESTS FOR RECORDS

Any request from a Distributor for copies of invoices, Applications, Down-line Activity Reports, or other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

3.26 - ROLL-UP OF MARKETING ORGANIZATION

When a vacancy occurs in a Marketing Organization due to the termination of a [WE] business, no Distributor moves up, but the volume will compress for commission purposes. See the Compensation Plan for further details.

3.27 - SALE, TRANSFER OR ASSIGNMENT OF A WE BUSINESS

There is a \$200 fee for the sale, transfer or assignment of a [WE] business. Although a [WE] business is a privately owned, independently operated business, the sale, transfer or assignment of a [WE] business is subject to certain limitations. If a Distributor wishes to sell his or her [WE] business, the following criteria must be met:

SECTION 3

3.27 - SALE, TRANSFER OR ASSIGNMENT OF A WE BUSINESS

- a. Protection of the existing line of sponsorship must always be maintained so that the [WE] business continues to be operated in that line of sponsorship.
- b. The buyer or transferee must become a qualified [WE] Distributor. If the buyer is an active [WE] Distributor, he or she must first terminate his or her [WE] business and wait three (3) calendar months before acquiring any interest in a different [WE] business.
- c. Before the sale, transfer or assignment can be finalized and approved by [WE], any debt obligations the selling Distributor has with [WE] must be satisfied.
- d. The selling Distributor 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 [WE] business.

The Company reserves the right to purchase the position at the same price as the purchaser. Prior to selling a [WE] business, the selling Distributor must notify [WE] at worldwiderrections@gmail.com of his or her intent to sell the [WE] business. Upon complete execution of the Purchase and Sale Agreement

SECTION 3

3.27 - SALE, TRANSFER OR ASSIGNMENT OF A WE BUSINESS

made between the Distributor and the transferee, the parties must submit a copy to [WE]. [WE] reserves the right to request additional documentation that may be necessary to analyze the transaction between the buyer and seller. [WE] will, in its sole and absolute discretion, approve or deny the sale, transfer or assignment within 30 days after its receipt of all necessary documents from the parties. If the parties fail to obtain Company approval for the transaction, the transfer shall be voidable at the option of Company. The purchaser of the existing Company business will assume the obligations and position of the selling Distributor. A Distributor who sells his or her Company business shall not be eligible to reapply as a WE Distributor for a period of at least three (3) full calendar months after the date of the sale. The transferred account will not be viewed as a New Distributor and will not be eligible for any New Distributor bonuses and/or promotions, nor will the purchaser receive any remaining bonus payouts from what was achieved by the original account holder.

SECTION 3

3.28 - SEPARATION OF A WE-BUSINESS

[WE] Distributors sometimes operate their WE businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership or trust (the latter three entities are collectively referred to herein as 'entities') may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Distributors and the Company in a timely fashion, [WE] will involuntarily terminate the Distributor Agreement. During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

a. One of the parties may, with consent of the other(s), operate the [WE] business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize WE to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.

SECTION 3

3.28 - SEPARATION OF A WE-BUSINESS

b. The parties may continue to operate the [WE] business jointly on a 'businesses-usual' basis, whereupon all compensation paid by WE will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Marketing Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will [WE] split commission and bonus payments between divorcing spouses or members of dissolving entities. [WE] will recognize only one Marketing Organization and will issue only one commission payment per [WE] business per commission cycle. Commission payments 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 commissions and ownership of the business in a timely fashion as determined by the Company, the Distributor Agreement shall be involuntarily canceled. If a former spouse has completely relinquished all rights in the original [WE] business pursuant to a divorce, he or she is thereafter free to enroll under any Enroller of his or her choosing without waiting three (3) calendar months. In the case of business

SECTION 3

3.28 - SEPARATION OF A WE-BUSINESS

entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait three (3) calendar months from the date of the final dissolution before re-enrolling as a Distributor. In either case, the former spouse or business affiliate shall have no rights to any Distributors in their former organization or to any former Devoted Customer. They must develop the new business in the same manner as would any other new Distributor.

3.29 - SPONSORING

All active Distributors in good standing have the right to sponsor and enroll others into [WE]. Each prospective Customer or Distributor has the ultimate right to choose his or her own Enroller. If two Distributors claim to be the Enroller of the same new Distributor or Customer, the Company shall regard the first Application received by the Company as controlling.

SECTION 3

3.30 - SUCCESSION

Upon the death or incapacitation of a Distributor, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper.

Accordingly, a Distributor should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a WE business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Distributor's Marketing Organization provided the following qualifications are met. The successor(s) must:

- a. Complete and execute a Distributor Agreement;
- b. Comply with terms and provisions of the Agreement; and
- c. Meet all of the qualifications for the deceased Distributor's status. Bonus and commission payments of a WE business transferred pursuant to this section will be paid in a single payment jointly to the devisees. The devisees must provide WE with an 'address of record' to which all bonus and commission

SECTION 3

3.30 - SUCCESSION

payments will be sent. If the business is bequeathed to joint devisees, they must form a business entity and acquire a Federal Employer Identification Number. [WE] will issue all bonus and commission payments and one 1099 MISC (US only) to the business entity.

3.31 - TRANSFER UPON DEATH OF A DISTRIBUTOR

To effectuate a testamentary transfer of a [WE] business, the Personal Representative or Executor of the Estate of the deceased Distributor must provide all necessary documentation to establish a successor or successors' right to the subject [WE] business. The successor or successors must complete and execute a Distributor Agreement and meet the other requirements set forth in Section 3.30.

3.32 - TRANSFER UPON INCAPACITATION OF A DISTRIBUTOR

To effectuate a transfer of a [WE] business because of incapacity, the Trustee of the incapacitated Distributor must provide all necessary documentation to establish the right of the subject Trust and Trustee to the subject WE business. The Trustee must, on behalf of the Trust, complete and execute a Distributor Agreement and meet the other requirements set forth in Section 3.30.

SECTION 3

3.33 - TELEMARKETING TECHNIQUES

The Federal Trade Commission and the Federal Communications Commission each have laws 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 [WE] does not consider Distributors to be 'telemarketers' in the traditional sense of the word, these government regulations broadly define the term 'telemarketer' and 'telemarketing' so that your inadvertent action of calling someone whose telephone number is listed on the National Do Not Call Registry could cause you to violate the law. Moreover, these regulations must not be taken lightly as they carry significant penalties (up to \$16,000.00 per violation). Therefore, Distributors must not engage in telemarketing in the operation of their WE businesses. The term 'telemarketing' means the placing of one or more telephone calls to an individual or entity to induce the purchase of a [WE] product or service or to recruit them for the WE opportunity. 'Cold calls' made to prospective customers or Distributors that promote either WEs' products or services or the [WE] opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective Customer or Distributor (a 'prospect') is permissible under the following situations:

SECTION 3

3.33 - TELEMARKETING TECHNIQUES

- a. If the Distributor has an established business relationship with the prospect. An 'established business relationship' is a relationship between a Distributor and a prospect based on the prospect's purchase, rental, or lease for goods or services from the Distributor, or a financial transaction between the prospect and the Distributor, within the eighteen (18) months immediately preceding the date of the telephone call to induce the prospect's purchase of a product or service.
- b. The prospect's personal inquiry or application regarding a product or service offered by the Distributor, within the three (3) months immediately preceding the date of such a call.
- c. If the Distributor receives written and signed permission from the prospect authorizing the Distributor to call. The authorization must specify the telephone number(s) which the Distributor is authorized to call.
- d. You may call family members, personal friends, and acquaintances. An 'acquaintance' is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you engage in 'card collecting' with everyone you meet and subsequently call them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling 'acquaintances,' you must make such calls on an occasional basis only and not

SECTION 3

3.33 - TELEMARKETING TECHNIQUES

not make this a routine practice.

e. In addition, Distributors shall not use automatic telephone dialing systems relative to the operation of their [WE] 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.

3.34 - BACK OFFICE ACCESS

[WE] makes online back office services, such as eStore, available to its Distributors. Back office services provide Distributors access to confidential and proprietary information that may be used solely and exclusively to promote the development of a Distributor's [WE] business and to increase sales of [WE] products. However, access to a back office is a privilege, and not a right. [WE] reserves the right to deny Distributors' access to the back office at its sole discretion.



SECTION 4

RESPONSIBILITIES OF DISTRIBUTORS

4.1 - CHANGE OF CONTACT INFORMATION

To ensure timely delivery of products, support materials, and commission payments, it is critically important that the [W]E files are current. Street addresses are required for shipping. Distributors planning to move should update their mailing address, email address and telephone number information via the eStore function of the Distributor's replicated [WE] website. To guarantee proper delivery, two weeks advance notice must be provided to [WE] on all changes.

SECTION 4

4.2 - CONTINUING DEVELOPMENT OBLIGATIONS

4.2.1 - ONGOING TRAINING

Any Distributor who enrolls another Distributor into [WE] must perform a bonafide assistance and training function to ensure that his or her Marketing Organization is properly operating his or her [WE] business. Distributors must have ongoing contact and communication with the Distributors in their Marketing Organizations. 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 down-line Distributors to [WE] meetings, training sessions, and other functions. Up-line Distributors are also responsible to motivate and train new Distributors in [WE] product knowledge, effective sales techniques, the [WE] Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of down-line Distributors must not, however, violate Section 3.2 (regarding the development of Distributor-produced sales aids and promotional materials). Any Distributor hosting organizational training calls must do so at times that does not conflict with Company corporate training or informational calls. These corporate calls are presented to allow Distributors to gain information and knowledge about the Company, the products,

SECTION 4

4.2 - CONTINUING DEVELOPMENT OBLIGATIONS

4.2.1 - ONGOING TRAINING

sales tips, Policies and Procedures and business building and are integral to the development and success of the Distributor's business. Distributors should monitor the Distributors in their Marketing Organizations to guard against down-line Distributors making improper product or business claims or engaging in any illegal or inappropriate conduct.

4.2.2 - INCREASED TRAINING RESPONSIBILITIES

As Distributors progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the [WE] program. They will be called upon to share this knowledge with lesser experienced Distributors within their organization.

SECTION 4

4.2.3 - ONGOING SALES RESPONSIBILITIES

Regardless of their level of achievement, Distributors have an ongoing obligation to continue to promote sales through the generation of new customers and through servicing their existing customers.

4.2.4 - RESIDUAL INCOME

Nothing contained in Section 4.2, 4.2.1, 4.2.2 or 4.2.3 is intended to limit or prohibit a Distributor from receiving his or her organizational residual income as long as compensation plan requirements are met.

SECTION 4

4.3 - NON-DISPARAGEMENT

The Company wants to provide customers and Distributors with the best products, and Distributors with the best Compensation Plan, and service in the industry. Accordingly, we value constructive criticisms and comments. All such comments should be submitted in writing to the Compliance Department. While the Company welcomes constructive input, negative comments and remarks made in the field by Distributors about the Company, its products, the Compensation Plan or other Distributors serve no purpose other than to sour the enthusiasm of other Company Distributors. For this reason, and to set the proper example for their Marketing Organization, Distributors must not disparage, demean, or make negative remarks about Company, other Company Distributors, Company products, the Compensation Plan, or Company directors, officers, or employees.

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4.4 - PROVIDING DOCUMENTATION TO APPLICANTS

Distributors must describe the location of the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Distributors before the applicant signs a Distributor Agreement. If the individual requests a hard copy, Distributors must provide a copy of the requested material.

4.5 - GENERAL CONDUCT

Distributors must not engage in any activity outside of their [WE] business that may, in [WE]' discretion, damage [WE] reputation or community standing. Therefore, [WE] reserves the right to cancel any Distributor's Agreement and independent business if the Distributor is convicted of, or pleads no contest to, any charge, or finding of liability, for any act or omission involving a claim of fraud, physical or sexual misconduct, theft, use, sales or distribution of a controlled substance, or any other act or omission that involves moral turpitude or a criminal felony.

SECTION 4

4.6 - REPORTING POLICY VIOLATIONS

Distributors observing a Policy violation by another Distributor should submit a written report of the violation directly to the attention of the Company Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

4.7 - VENDOR CONFIDENTIALITY/COMMUNICATIONS

[WE'] business relationships with its marketing alliances, vendors, suppliers, Company associates or former employees within or outside the corporate workplace are confidential, proprietary, and not to be circumvented by either the Distributor or the vendor. A Distributor shall not contact, directly or indirectly, or speak to or communicate with any representative of any supplier or manufacturer of Company except at a Company-sponsored event at which the representative is present at the request of Company or as otherwise expressly permitted in writing by Company. Violation of this regulation may result in termination of the Distributor and possible claims of damages against the Distributor and/or the vendor. Questions regarding any of these business relationships should be directed to the Compliance Department.



SECTION 5

SALES REQUIREMENTS

5.1 - PRODUCT SALES

The [WE] Compensation Plan is based on the sale of Company products and services to end consumers. Distributors must fulfill personal and Devoted sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales requirements must be satisfied for Distributors to be eligible for commissions:

a. Distributors must satisfy the Personal Sales Volume and Group Sales Volume requirements to fulfill the requirements associated with their rank as specified in the [WE] Compensation Plan. Personal Sales Volume includes purchases made by the Distributor and purchases made by the Distributor's personal Customers. Group Sales Volume shall include the total sales volume of all Distributors in his or her Marketing Organization, including the Distributor's Personal Sales Volume.

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b. It is recommended that at least 70% of a Distributor's total monthly Personal Sales Volume be sold to personal customers. No compensation is ever paid to Distributors based upon sponsoring or recruiting Distributors without product sales.

5.1.1 - SPECIAL STATE RULES

Cumulative purchases during the first six (6) months of becoming a Company Distributor are limited to less than \$500 in Georgia, Louisiana, Indiana and Michigan. See specific addenda to Agreement for specific states as to statutory purchasing limitations, buyback rules and other restrictions, disclosures and additional Distributor rights and responsibilities.

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There are no exclusive territories granted to anyone. No franchise fees are required.

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The Company's products may not be rebranded, resold or repackaged in any way. All products must be sold and displayed using Company trademarks. For example, the Root Therapy may not be sold or marketed under any other name. No Distributor shall in any way alter, change or remove the label, packaging or instructions intended by Company to accompany any product. No sampling programs are allowed other than through Company-approved packaging. Providing Company products at parties for testing purposes is exempt from this prohibition.

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All products shall be purchased exclusively from the Company. A Distributor is prohibited from reselling products that have been purchased from another Distributor.



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6.1 - BONUS AND COMMISSION QUALIFICATIONS

Distributor must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Distributor complies with the terms of the Agreement, [WE] shall pay commissions to such Distributor in accordance with the Compensation Plan in US Dollars. To be commission qualified on a monthly basis, a Distributor must either maintain 120 PBV or run an optional minimum 250 BV auto-shipment no later than the 25th of the month; alternatively, a Distributor can be commission qualified by registering online through the [WE] website during the month they join the Company.

SECTION 6

6.1.1 - DEADLINES FOR QUALIFICATIONS

The following order deadlines apply for purposes of qualifying for compensation and/or rank in each pay cycle: Online Orders: 11:59 pm CT on the final day of the month. Faxed Orders: 1 pm CT on the final business day of the month. Phone Orders: 5 pm CT on the final business day of the month. The Company is not responsible for orders placed after published deadlines and will not alter order data to accommodate Distributors who do not meet the deadlines or make mistakes on their orders. We encourage Distributors to qualify early and to have eStore so they can track their business. It is the Distributor's responsibility to make sure they are qualified. Corrections to mistakes must be made before the end of the month. Accounts that are in "Hold" status at the time of the commission processing will be sent with the next commission run following the release of the "Hold" status.

SECTION 6

6.1.2 - COMMISSION PAYMENTS

All commissions and bonuses except for weekly Fast Start Bonuses are paid monthly by the 15th day of the following month by 5 PM CT. Weekly Fast Start Bonuses are paid based upon a Saturday to Friday weekly period with payment on the following Friday by 5 PM CT. No commission payments will be paid to Distributors whose distributorships have expired prior to the end of the commission period and not renewed during the commission period. Further, no commissions will be paid to Distributors who resign or are terminated from the Company.

SECTION 6

6.2 - ADJUSTMENT TO BONUSES AND COMMISSIONS

6.2.1 - ADJUSTMENTS FOR RETURNED PRODUCTS AND CANCELLED SERVICES

Distributors receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to [WE] for a refund or repurchase, or a service is cancelled and the Customer is entitled to a refund, either of the following may occur at the Company's discretion: (1) the bonuses and commissions attributable to the returned or repurchased product or the refunded service will be deducted, in the month in which the refund is given and continuing every pay period thereafter until the bonuses and commissions are recovered, from the Distributors who received bonuses and commissions on the sales of the refunded product or cancelled service; or (2) the Distributors who earned commissions or bonuses based on the sale of the returned product or cancelled service will have the corresponding points deducted from their Group Volume in the next month and all subsequent months until such points are completely recovered.

SECTION 6

6.2.2 - OTHER DEDUCTIONS

[WE] will deduct from all bonus and commission payments issued to a Distributor a data processing fee of \$1. There is a \$5 fee to recover commission and re-send via an alternative payment method. All paper checks requested upon cancellation of distributor position, will incur a \$5 fee. After cancellation of the Distributor's position, after sixty (60) days without notifying the Company regarding a final payout for any outstanding commissions or bonuses, the Company will begin to assess a monthly \$5 service fee.

SECTION 6

6.3 - REPORTS

All information provided by [WE] in online or telephonic Down-line Activity Reports, including, but not limited to, Personal and Group Sales Volume (or any part thereof), and down-line sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including, but not limited to, the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge backs; the information is not guaranteed by [WE] or any persons creating or transmitting the information.

ALL PERSONAL AND GROUP SALES VOLUME INFORMATION IS PROVIDED 'AS IS' WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR, BUT WITHOUT LIMITATION, THERE SHALL BE NO WARRANTIES OF MERCHANT ABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, WE AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY DISTRIBUTOR OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL,

SECTION 6

SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND GROUP SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF WE OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, WE OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of [WEs'] online reporting services and your reliance upon such information is at your own risk. All such information is provided to you 'as is'. If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to [WE] eStore and your reliance upon the information.

SECTION 6

6.4 - DEVOTED CUSTOMER RULES

- a. Devoted Customers in the same household as any Distributor will not count towards bonus qualifications or rewards programs. Distributors may not enroll a Devoted Customer from their own household under themselves or any other Distributor to be used for bonus qualifications or reward programs.
- b. Multiple Devoted Customers per household (outside the Distributor's own household) may be enrolled, but only one per household may count toward bonus qualifications or rewards programs.
- c. Devoted Customers with more than one active account cannot be used multiple times for bonus qualifications or rewards programs.
- d. Devoted Customers must be at least 18 years of age as our products are intended for use by adults only.
- e. Product must be shipped to the Devoted Customer's address.
- f. The Devoted Customer must fulfill the terms of the Devoted Customer Agreement or any bonuses paid out to Distributors will be recovered.

SECTION 6

g. Devoted Customers can purchase product for personal use only and cannot resell the product for any reason. Only Distributors are authorized to sell and advertise product. Devoted Customers found to be selling or advertising product will immediately have their rights to buy product terminated.

h. Distributors are responsible for the proper enrollment of Devoted Customers. If a Devoted Customer disputes the Devoted Customer Agreement and wishes to cancel prior to fulfilling the three consecutive month autoshipment commitment, the enroller of that Devoted Customer will be responsible for paying the Membership Fee if the Devoted Customer did not enroll properly. Verbal agreements are not sufficient. If a Devoted Customer personally enrolls online they will be held responsible for any fees. If the Distributor helps the Devoted Customer enroll online and the Company does not obtain a proper electronic signature from the Devoted Customer, the Distributor will be held liable for those fees.

i. If a Distributor places a Devoted Customer with another Distributor, the Distributor receiving the Devoted Customer shall be considered the Enroller for all Compensation Plan purposes.

j. A Devoted Customer may not be a Distributor at the same time. If a Devoted Customer becomes a Distributor, then he/she is no longer considered a Devoted Customer.

SECTION 6

k. If a Devoted Customer wishes to upgrade to a Distributor and has completed the Devoted Customer Agreement or the Devoted Customer has paid the Membership Fee, then the Devoted Customer is free to enroll as a Distributor under whomever he or she chooses. If a Devoted Customer wishes to upgrade to a Distributor and has NOT completed the Devoted Customer Agreement and they want the Membership Fee to be waived, the Devoted Customer must enroll under the same Distributor their Devoted Customer account is under.

SECTION 7

PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

7.1 - PRODUCT GUARANTEE

Since our products produce different results for different people, we do not guarantee specific results or offer a money back guarantee. The Root Therapy capsule is a food products and cannot be returned once the plastic wrapper is opened. To receive a refund, all products must be post-marked within thirty (30) days of the ship date in resalable, unopened, 'new' condition.

7.2 - PRODUCT RETURNS BY DEVOTED CUSTOMERS

A Devoted Customer who makes a purchase of \$50 or more has three (3) business days (72 hours) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the policies contained on the invoice. When a Distributor makes a sale or takes an order from a Devoted Customer who cancels or requests a refund within the 72 hour period, the Distributor must promptly refund the Devoted Customer's money as long as the products are returned to the Distributor in substantially as good condition as when received. Additionally, Distributors must orally inform Devoted Customers of their right to rescind a purchase or an order within 72 hours, and ensure that the date of the order or purchase is entered on the order form.

SECTION 7

7.3 - RETURN OF INVENTORY AND SALES AIDS BY

Distributors Upon Cancellation Within sixty (60) days after cancellation of a Distributor's Agreement, the Distributor may return his or her any products and sales aids held in his or her possession for a refund. In order to receive a refund from Company pursuant to this policy, the following requirements must be met:

- a. The items being returned must have been personally purchased by the Distributor from [WE] (purchases from other Distributors or third parties are not subject to refund);
- b. The items must be in Resalable condition (see Definition of 'Resalable' in Section 11 below); and
- c. The items must have been purchased from [WE] within one year prior to the date of cancellation, except in the states of Georgia, Louisiana, Maryland, Massachusetts, Wyoming and the territory of Puerto Rico.
- d. Distributors may only return product for product credit unless they are cancelling their Distributorship.

SECTION 7

Upon receipt of Resalable products and sales aids, the Distributor will be reimbursed 90% of the net cost of the original purchase price(s). Shipping charges incurred by a Distributor when the items were purchased will not be refunded. If the purchases were made through a credit card or wallet, the refund will be credited back to the same account. If a Distributor was paid a bonus or commission based on a product that he or she purchased, and such product is subsequently returned for a refund, the commission that was paid to the Distributor based on that product purchase will be deducted from the amount of the refund.

7.4 - PROCEDURES FOR ALL RETURNS

- a. All merchandise must be returned by the Distributor or Customer who purchased it directly from [WE].
- b. The return must be accompanied by: i. the original, or a copy of the original, dated sales receipt; and the portion being returned from the order in its original packaging.
- c. Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. The Distributor or Customer is responsible for all return shipping cost and traceable shipping method must

SECTION 7

be used. [WE] does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the Distributor or Customer. If returned product is not received by the Company's Returns Processing Center, it is the responsibility of the Distributor or Customer to trace the shipment.

d. If a Distributor is returning merchandise to [WE] that was returned to him or her by a personal Devoted Customer, the product must be received by [WE] within ten days from the date on which the Devoted Customer returned the merchandise to the Distributor, and must be accompanied by the sales receipt the Distributor gave to the Devoted Customer at the time of the sale.

e. To receive replacement product or a refund on incomplete or defective product, the Distributor or Customer must report the matter within 60 days from the date of delivery and the incomplete or defective product must be made available for inspection at the Returns Processing Center.

f. Refused orders are defined as orders that are refused upon delivery, marked return to sender, are undeliverable, or that have an insufficient address. A refused order is assigned a refusal fee that is deducted from the refund. Refusal fees are applied to offset return shipping costs and return processing charges. Refused orders could take up to 90 days to reach the Returns Processing Center and are not guaranteed a refund.

SECTION 7

- g. Returning an order to [WE] will not automatically cancel monthly autoshipment orders. Autoshipment orders can be cancelled through the Distributor's online account by submitting a ticket, or by calling the Customer Support number. All autoshipment changes must be completed at least 2 business days prior to the next autoshipment process date.
- h. If only a portion of a stocked package (several products grouped under one item name/number) is returned, the full value and Bonus Volume (BV) of the item(s) kept will be deducted from the refund of the return order.
- i. To exchange products, Distributors can call Customer Support or log into their online accounts and submit a support ticket within 30 days of delivery to specify which product they would like to return and which products they would like to purchase in exchange. Exchange orders should be placed prior to Distributors returning their original items for refund to avoid interruption of their autoshipment services.
- j. All products must be returned to: WorldWide Erections, 500 S. 7th St. PO Box 4342, Opelika, AL 36803 No product credit, refund or replacement of product will be made if the conditions of these rules are not met.

SECTION 8

DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

8.1 - DISCIPLINARY SANCTIONS

Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including, but not limited to, any applicable duty of Devoted ty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Distributor that, in the sole discretion of the Company may damage its reputation or goodwill (such act or omission need not be related to the Distributor's WE business), may result, at the Company discretion, in one or more of the following corrective measures:

- a. Issuance of a written warning or admonition;
- b. Requiring the Distributor to take immediate corrective measures;
- c. Imposition of a fine in an amount to be determined by Company, which may be withheld from bonus and commission payments;
- d. Loss of rights to one or more bonus and commission payments;
- e. Company may withhold from a Distributor all or part of the Distributor's bonuses and commissions during the period that Company is investigating any conduct allegedly in violation of the Agreement.

SECTION 8

If a Distributor's business is canceled for disciplinary reasons, the Distributor will not be entitled to recover any commissions withheld during the investigation period;

- f. Suspension of the individual's Distributor Agreement for one or more pay periods;
- g. Transfer of a portion or all of the Distributor's marketing organization or downline;
- h. Involuntary termination of the offender's Distributor Agreement;
- i. Any other measure expressly allowed within any provision of the Agreement or which [WE] deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Distributor's policy violation or contractual breach; o
- j. Cancellation or suspension of a Distributor's privilege of receiving access to his or her downline activity report; or
- k. In situations deemed appropriate by Company, the Company may institute legal proceedings for monetary and/or equitable relief.

SECTION 8

8.2 - GRIEVANCES AND COMPLAINTS

When a Distributor has a grievance or complaint with another Distributor regarding any practice or conduct in relationship to their respective [WE] businesses, the complaining Distributor should first report the problem to his or her Enroller who should review the matter and try to resolve it with the other party's upline Enroller. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Compliance Department at the Company. The Compliance Department will review the facts and resolve it.

8.3 - MEDIATION

For any dispute involving \$10,000.00 or more, prior to instituting any arbitration as provided in Section 8.4 below, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through nonbinding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided 25 equally between the parties. Each party shall pay its portion of the anticipated fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Atlanta or Dekalb County, Georgia, and shall last no more than two business days.



SECTION 9

PAYMENT AND SHIPPING

4.1 - CHANGE OF CONTACT INFORMATION

To ensure timely delivery of products, support materials, and commission payments, it is critically important that the WE files are current. Street addresses are required for shipping. Distributors planning to move should update their mailing address, email address and telephone number information via the eStore function of the Distributor's replicated [WE] website. To guarantee proper delivery, two weeks advance notice must be provided to WE on all changes.

SECTION 4

4.2 - CONTINUING DEVELOPMENT OBLIGATIONS

4.2.1 - ONGOING TRAINING

Any Distributor who enrolls another Distributor into [WE] must perform a bonafide assistance and training function to ensure that his or her Marketing Organization is properly operating his or her [WE] business. Distributors must have ongoing contact and communication with the Distributors in their Marketing Organizations. 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 down-line Distributors to [WE] meetings, training sessions, and other functions. Up-line Distributors are also responsible to motivate and train new Distributors in WE product knowledge, effective sales techniques, the [WE] Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of down-line Distributors must not, however, violate Section 3.2 (regarding the development of Distributor-produced sales aids and promotional materials). Any Distributor hosting organizational training calls must do so at times that does not conflict with Company corporate training or informational calls. These corporate calls are presented to allow Distributors to gain information and knowledge about the Company, the products,

SECTION 4

4.2 - CONTINUING DEVELOPMENT OBLIGATIONS

4.2.1 - ONGOING TRAINING

sales tips, Policies and Procedures and business building and are integral to the development and success of the Distributor's business. Distributors should monitor the Distributors in their Marketing Organizations to guard against down-line Distributors making improper product or business claims or engaging in any illegal or inappropriate conduct.

4.2.2 - INCREASED TRAINING RESPONSIBILITIES

As Distributors progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the [WE] program. They will be called upon to share this knowledge with lesser experienced Distributors within their organization.

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CREATING A COMPANY FOR ORDINARY PEOPLE

**THANK
YOU!**