

THAILAND POLICIES & PROCEDURES

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SECTION 1 – PURPOSES OF POLICIES AND PROCEDURES

LifeVantage (Thailand) Company Limited has developed the following guidelines to assist in the success of the Company and its Independent Distributors. These Policies and Procedures will help provide the following benefits:

- 1) Protect the rights of all Independent Distributors by providing a framework within which each Independent Distributor may work in an ethical, effective and secure manner.
- 2) Provide an equal and level playing field of opportunity to all LifeVantage Independent Distributors.
- 3) Define the contractual relationship between LifeVantage and its Independent Distributors.
- 4) Inform Independent Distributors regarding compliance issues and regulatory requirements LifeVantage requires that all Independent Distributors understand and abide by these Policies and Procedures as we work together in promoting the LifeVantage products and opportunity.

SECTION 2 – INTRODUCTION

2.1 – Policies and Procedures Incorporated into Independent Distributor Agreement

These Policies and Procedures, in their present form and as amended from time to time at the sole discretion of LifeVantage (Thailand) Company Limited (“LifeVantage™” or the “Company”), are incorporated into, and form an integral part of, the LifeVantage Independent Distributor Agreement. Throughout these Policies and Procedures, when the term “Agreement” is used, it collectively refers to the LifeVantage Independent Distributor Application and Agreement, the Terms and Conditions, these Policies and Procedures and the LifeVantage Compensation Plan. These documents are incorporated by reference into the LifeVantage Independent Distributor Agreement. It is the responsibility of each Independent 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 enrolling a new Independent Distributor, it is the responsibility of the Enroller (as further defined below) to provide the most current version of these Policies and Procedures and the LifeVantage Compensation Plan to the applicant prior to his or her execution of the Independent Distributor Application Agreement.

2.2 – Purpose of Policies

LifeVantage is a direct sales company that markets products through Independent Distributors. It is important that all Independent Distributors understand that their success is dependent upon the integrity of all men and women who market LifeVantage products. To clearly define the relationship that exists between Independent Distributors and LifeVantage, and to explicitly set standards for acceptable business conduct, LifeVantage has established the Agreement. LifeVantage Independent Distributors are required to comply with all the terms and conditions set forth in the Agreement, as well as all laws governing their business and their conduct. It is very important that all Independent Distributors read and abide by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between Independent Distributors and the Company. Any questions regarding any policy or rule should be directed to LifeVantage.

2.3 – Changes to the Agreement

Because laws, as well as the business environment periodically change, LifeVantage reserves the right to amend the Agreement (including, without limitation, the Independent Distributor Application and Agreement, Terms and Conditions, and Policies and Procedures) and its prices and product offering in its sole and absolute discretion. The Company shall provide or make available to all Independent 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) fax-on-demand;
- 4) voice mail system broadcast;
- 5) inclusion in Company periodicals;
- 6) inclusion in product orders or bonus checks; or
- 7) special mailings from the Company. The most current and controlling version will be located at th.en.lifevantage.com. It is the responsibility of all Independent Distributors to regularly review th.en.lifevantage.com for the most recently published amendment(s). Once the amendment(s) are published, the Independent Distributor(s) may elect to accept the amendment(s) or reject them. If the Independent Distributor rejects them, their Agreement will terminate and will not be renewed. If the Independent Distributor continues to purchase or sell Company products, enroll and/or accept rebates, commissions or bonuses from LifeVantage, such actions shall be deemed acceptance of any amendments.

2.4 – Delays

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

2.5 – Severability

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision never comprised a part of the Agreement. Other than correcting any errors, the Company cannot be held liable or responsible for such changes.

2.6 – Waiver

In the event of any errors in the Policy and Procedures manual, including any forms or other documents from LifeVantage or incorrect information sent out by LifeVantage, arising from exclusions, missing items or printing mistakes, LifeVantage is responsible only to correct the errors.

SECTION 3 – BECOMING AN INDEPENDENT DISTRIBUTOR

RULES OF CONDUCT

Independent Distributors promise to:

- 1) Handle themselves and their operations and conduct as an Independent Distributor honestly, morally and legally.
- 2) Keep their activities honorable to reflect well on themselves and on LifeVantage.
- 3) Speak well of LifeVantage, as well as competitors.
- 4) Honestly present the product in keeping with what is set forth in the LifeVantage literature, including references to health claims and benefits.
- 5) Explain the Compensation Plan honestly and completely as set forth in the LifeVantage corporate materials.
- 6) Respect the privacy of others and keep their personal earnings and the earnings of others private.
- 7) Take their Enroller and Upline responsibilities seriously, including, without limitation, readily training, aiding and supporting those in their Downline.
- 8) Abide by the product guarantee and return policies for themselves and for their customers.
- 9) Respect the professional relationships between LifeVantage and any of its advisors, endorsers or affiliates by speaking of them appropriately as set forth in the LifeVantage policies and refraining from making contact with them.
- 10) Direct all media inquiries to LifeVantage.
- 11) Maintain a healthy distance between other Enrollers and Enrollees to avoid a conflict of interest.
- 12) Adhere to the Agreement.
- 13) Conduct their Independent Distributorship professionally in order to help protect the LifeVantage opportunity for all.

3.1 – Requirements to Become an Independent Distributor

To become a LifeVantage Independent Distributor, each applicant must:

- 1) Be a minimum of twenty (20) years of age;
- 2) Have a valid Thai National ID, valid visa number or company registration;
- 3) Purchase a LifeVantage Start Kit ; and
- 4) Submit a properly completed and signed Independent Distributor Application and Agreement to LifeVantage.

The Company reserves the right to reject any applications for a new Independent Distributor or applications for renewal in its sole and absolute discretion. The Agreement is effective upon acceptance of the Independent Distributor Application and Agreement by the Company as set forth in the Terms and Conditions Section 1.2.

3.2 – New Independent Distributor Registration by Phone, Fax or Internet

Applications as an Independent Distributor by telephone, fax or Internet can only be accepted during normal business hours because LifeVantage must collect important information, such as National ID card number as well as assisting with the purchase of a Start Kit. A new Independent Distributor Start Kit must be ordered at the time of enrollment using a valid credit card. LifeVantage must receive a signed Independent Distributor Application and Agreement with all current information from the Independent Distributor, along with a copy of a valid Thai ID and bank book within 30 days.

3.3 – Renewal of a LifeVantage Independent Distributorship

This Agreement shall be automatically renewed each year as long as the account remains active and maintains the monthly minimum.

SECTION 4 – OPERATING A LIFEVANTAGE INDEPENDENT DISTRIBUTORSHIP

4.1 – Adherence to the LifeVantage Compensation Plan

Independent Distributors please study and understand and strictly adhere to the details of the Compensation Plan, including the bonus plan of LifeVantage as explained in the Doing Business with LifeVantage manual and adhere to the terms of the LifeVantage Compensation Plan.

4.2 – Business Entities

A public company or private company of a limited liability company may apply to be a LifeVantage Independent Distributor by submitting a copy of its organizational documents to LifeVantage, along with a properly completed registration form. If an Independent Distributor has enrolled online, all required documents and registration form must be submitted to LifeVantage within thirty (30) days of the online Enrollment. A LifeVantage Independent Distributorship may change its status under the same Enroller from an individual to a business (public, private or limited liability company) from one type of entity to another by requesting a Name Change Request Form from the LifeVantage Compliance Department. The registration form must be signed by the authorized company individual(s).

4.3 – Minors

Persons under the age of 20 are considered minors and not able to enroll as LifeVantage Independent Distributors.

4.4 – One LifeVantage Independent Distributorship per Person and two per Household

Except as provided in this Section 4.4, an Independent Distributor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, member, owner or beneficiary, in only one LifeVantage Independent Distributorship. Individuals of the same family unit may not enter into or have an interest in more than two LifeVantage Independent Distributorships (see Section 6.5 “Stacking”). Husbands and wives or common-law couples (collectively “Spouse(s)”) who wish to become separate LifeVantage Independent Distributors must sign a separate Independent Distributor Application and Agreement, and must have the same enroller. A spouse may be “placed” under their spouse’s Independent Distributor as long as they have the same Enroller. Both individuals must adhere to the details of the Compensation Plan.

4.4.1 – Actions of Household Members or Affiliated Individuals

If any member of an Independent Distributor’s immediate household engages in any activity which, if performed by the Independent Distributor, would violate any provision of the Agreement, such activity will be deemed a violation by the Independent Distributor and LifeVantage may take disciplinary action pursuant to the Agreement against the Independent Distributor. Similarly, if any individual associated in any way with a Business Entity collectively “Affiliated Individual”) violates the Agreement, such action(s) will be deemed a violation by the entity, and LifeVantage may take disciplinary action against the Business Entity.

4.5 – Independent Contractor Status

Independent Distributors are independent contractors, not employees of the Company. Independent Distributors are not purchasers of a franchise or a business opportunity. The Agreement between LifeVantage and its Independent Distributors does not create an employer/employee relationship. An Independent Distributor has no authority (expressed or implied) to bind the Company to any obligation. Each Independent 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 Agreement and all applicable laws.

4.6 – Enrolling/ Placing or Sponsoring

All active Independent Distributors in good standing may enroll and place (sponsor) others into the LifeVantage program. Each prospective Direct Retail Customer, Preferred Customer or Independent Distributor has the ultimate right to choose his or her own Enroller and Placement Sponsor. If an individual wants to be both a consumer and an Independent Distributor, he/she should first sign up as a consumer and then proceed subsequently to become an Independent Distributor.

4.7 – Changes to a LifeVantage Independent Distributorship

4.7.1 – General

Each Independent Distributor must immediately notify LifeVantage of all changes to the information contained on his or her Independent Distributor Application and Agreement whether it be business-related or personal information previously submitted.

4.7.2 – Addition of Co-Applicant

When adding a co-applicant (either an individual or a Business Entity) to an existing LifeVantage Independent Distributorship, the Company requires a written request. To prevent the circumvention of Section 4.9 (regarding transfers and assignments of a LifeVantage Independent Distributorship), the original applicant must remain as the main party to the original Independent Distributor Application and Agreement. If the original Independent Distributor wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her Independent Distributorship in accordance with Section 4.9. If this process is not followed, the Independent Distributorship may be cancelled by LifeVantage upon the withdrawal of the original Independent Distributor. All bonus and commission checks will be sent to the address of record of the original Independent Distributor. Please note that the modifications permitted within the scope of this Section 4.7.2 do not include a change of Enroller or Placement Sponsor. Changes of Enroller or Placement Sponsor are addressed in Section 4.7.3 below.

4.7.3 – Change of Enroller

To protect the integrity of all marketing organizations and safeguard the hard work of all Independent Distributors, LifeVantage strongly discourages changes in Enrollers or Placement Sponsors.. Requests for a change must be submitted by contacting LifeVantage and must include the reason for the change. Any change will be at the sole discretion of the Company. A change of enroller will only be considered in the following two (2) circumstances:

4.7.3.1 – In cases involving fraudulent inducement or unethical sponsoring, an Independent Distributor may request that he or she be transferred/changed to another organization with his or her entire Marketing Organization intact. All requests for transfer/change alleging fraudulent enrollment practices shall be evaluated on a case-by-case basis.

4.7.3.2 – The Independent Distributor seeking to transfer/change submits a properly completed and fully executed Enroller Change Request Form, which includes the written approval of his or her Enroller and immediate five (5) Enroller Upline Independent Distributors. Photocopied or facsimile signatures are not acceptable. The Independent Distributor who requests the transfer must submit a processing fee for administrative charges and data processing. Downline Independent Distributors will not be moved with the transferring/changing Independent Distributor unless all of the requirements of this Section 4.7.3.2 are met. Transferring/changing Independent Distributors must allow thirty (30) days after the receipt of the Enroller Change Request Form by LifeVantage for processing while a decision is being made.

4.7.4 – Change of Placement Sponsor

New enrollees who are not placed properly within 30 days by their Placement Sponsor will be placed as a Front Line Enroller. Changing Independent Distributors must allow thirty (30) days after the receipt of the Placement Sponsor Change Request form by LifeVantage for processing while a decision is being made. If the change is approved, only one Placement Sponsor change will be allowed per Independent Distributor and Customer.

4.7.5 – Cancellation and Reapplication

An Independent Distributor may change Marketing Organizations by voluntarily cancelling his or her LifeVantage Independent Distributorship and remaining inactive (i.e., no purchases of LifeVantage products for resale, no sales of LifeVantage products, no enrolling, no attendance at any LifeVantage functions, participation in any other form of Independent Distributor activity, or operation of any other LifeVantage Independent Distributorship) for six (6) full calendar months.

4.8 – Roll-up of Marketing Organization

When a vacancy occurs in a Marketing Organization, each Independent Distributor or Customer will be moved up one level of the terminated Independent Distributor's Placement Sponsor (compresses up one level within the Placement Sponsor tree).

4.9 – Sale, Transfer or Assignment of a LifeVantage Independent Distributorship

Although a LifeVantage Independent Distributorship is a privately owned, independently operated distributorship, the sale, transfer or assignment of a LifeVantage Independent Distributorship is subject to certain limitations. If an Independent Distributor wishes to sell his or her LifeVantage Independent Distributorship, the following criteria must be met:

- 1) If the buyer is an active LifeVantage Independent Distributor, he or she must first terminate his or her LifeVantage Independent Distributorship and wait at least six (6) months before becoming eligible to purchase another Independent Distributorship.
- 2) The transaction must be approved by LifeVantage in its sole discretion.
- 3) The selling Independent 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 LifeVantage Independent Distributorship.
- 4) Prior to selling a LifeVantage Independent Distributorship, the selling Independent Distributor must notify LifeVantage, in writing, of his or her intent to sell the LifeVantage Independent Distributorship. No changes in line of enrollment can result from the sale or transfer of a LifeVantage Independent Distributorship.
- 5) The selling Independent Distributor must wait a period of six (6) months from the date of the sale, transfer or assignment of their LifeVantage Independent Distributorship before her or she will be eligible to again enroll as a LifeVantage Independent Distributor.

4.10 – Separation of a LifeVantage Independent Distributorship

At such time as a marriage ends, or a Business Entity dissolves, arrangements must be made to assure that any separation or division of the Business Entity is accomplished so as not to adversely affect the interests and income of other Independent Distributors upline or downline of the distributorship. LifeVantage will recognize only one downline and will issue only one commission check per LifeVantage Independent Distributorship per commission cycle. Commission checks shall be issued to the individual or Business Entity on the Distributorship. If a former spouse or a former Affiliated Individual has completely relinquished all rights in their original LifeVantage Independent Distributorship, they are thereafter free to enroll under any enroller of their choosing, so long as they meet the waiting period requirements set forth in Section 4.7.4. In such case, however, the former spouse or partner shall have no rights to any downline in their former organization. The former spouse or partner must develop the new Marketing Organization in the same manner as would any other new Independent Distributor.

4.11 – Succession

Upon the death of or incapacitation of an Independent Distributor, his or her Independent Distributorship may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, an Independent Distributor should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a LifeVantage Independent Distributorship is transferred by a will or other testamentary process, the legal successor in interest acquires the right to collect all Financial Distributions (as defined in Section 12) of the deceased Independent Distributor's Marketing Organization provided the following qualifications are met. The successor(s) in interest must:

- 1) Execute an Independent Distributor Application and Agreement;
- 2) Comply with terms and provisions of the Agreement;

- 3) Meet all of the qualifications for the deceased Independent Distributor's status;
- 4) Bonus and commission checks of a LifeVantage Independent Distributorship transferred pursuant to this Section 4.11 will be paid in a single check jointly to the legal successor(s) in interest. Such successor(s) must provide LifeVantage with an "address of record" to which all bonus and commission checks will be sent.
- 5) If the Independent Distributorship is bequeathed to multiple legal successors in interest, they must form a Business Entity and acquire a Company Registration number.

4.12 – Transfer Upon Death of an Independent Distributor

To effect a testamentary transfer of a LifeVantage Independent Distributorship, the successor in interest must provide the following to LifeVantage:

- 1) An original death certificate;
- 2) A notarized copy of the will or other instrument establishing the successor's right to the LifeVantage Independent Distributorship; and
- 3) A completed and executed Independent Distributor Application and Agreement. If the successor in interest is already a LifeVantage Independent Distributor, the Company may grant exception to the One Distributorship per Household rule upon written request from the successor in interest.

4.13 – Transfer Upon Incapacitation of an Independent Distributor

To effect a transfer of a LifeVantage Independent Distributorship because of incapacity, a legally appointed representative must provide the following to LifeVantage: (1) a notarized copy of an appointment as trustee or other legally appointed representative; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the LifeVantage Independent Distributorship; and (3) a completed Independent Distributor Application and Agreement executed by the trustee. If the representative in interest is already a LifeVantage Independent Distributor, the Company may grant exception to the One Distributorship per Household rule upon written request from the representative in interest.

4.14 – Errors or Questions

If an Independent Distributor has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports or credit card charges, the Independent Distributor must notify LifeVantage in writing within sixty (60) days of the date of the purported error or incident in question. LifeVantage will not be responsible for any errors, omissions or problems not reported to the Company within sixty (60) days of the purported error or incident in question.

SECTION 5 – RESPONSIBILITIES OF INDEPENDENT DISTRIBUTORS

5.1 – Change of Address, Telephone or E-mail

To ensure timely delivery of products, support materials and commission checks, it is critically important that LifeVantage's files are current. Street addresses are required for shipping since LifeVantage product will not be delivered to a post office box. Independent Distributors planning to move should send any change of address, telephone or e-mail to LifeVantage – Attention: Distributor Support Department. If an Independent Distributor is presently on the Autoship program, the Autoship will automatically be updated to the new address. Please allow thirty (30) days after the receipt of the notice or Agreement by LifeVantage for processing.

5.2 – Continuing Development Obligations

5.2.1 – Ongoing Training

Independent Distributors have ongoing contact and communication with the Independent Distributors in their downline organizations. Independent Distributors also motivate and train new Independent Distributors in LifeVantage product knowledge, effective sales techniques, the LifeVantage Compensation Plan and compliance with the Company Policies and Procedures. Communication with and the training of downline Independent Distributors must not, however, violate Section 8. to ensure that downline Independent Distributors do not make improper product or business claims, or engage in any illegal or inappropriate conduct.

5.2.2 – Increased Training Responsibilities

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

5.2.3 – Ongoing Sales Responsibilities

Regardless of their level of achievement, successful Independent Distributors are continually and personally promoting sales through the generation of new customers, through servicing their existing customers and through sales to Retail and Preferred Customers who are not Independent Distributors.

5.3 – Non-Disparagement

LifeVantage wants to provide its Independent Distributors with the best products, Compensation Plan and service in the industry. Independent Distributors are viewed as part of LifeVantage and responsible for to protect the image of LifeVantage and therefore should not cause harm by damaging our reputation through illegal actions or otherwise violate the terms and conditions of LifeVantage.

5.4 – Providing Documentation to Applicants

An enroller must provide the most current version of the Policies and Procedures and the Compensation Plan to the individual(s) whom he or she is considering to enroll to become an Independent Distributor before such applicant signs an Independent Distributor Application and Agreement.

5.5 – Reporting Policy Violations

Independent Distributors who become aware of a policy violation by another Independent Distributor should submit a written report of the violation directly to the attention of the LifeVantage Compliance Department.

5.6 – No Claims of Special Privileges

LifeVantage will pursue action against any who violate the terms and conditions or against Independent Distributors who seek to gain benefit by harming other Independent Distributors.

SECTION 6 – CONFLICTS OF INTEREST

Independent Distributors may participate in other direct selling or network marketing or multilevel marketing ventures (collectively “Network Marketing Ventures”), and Independent Distributors may engage in selling activities related to non-LifeVantage products and services if they desire to do so. If an Independent Distributor elects to participate in another Network Marketing Venture, in order to avoid conflicts of interest and loyalties, Independent Distributors must adhere to the following:

6.1 – Non-Solicitation

During the term of the Agreement, an Independent Distributor shall not engage in any actual or attempted recruitment or enrollment of a LifeVantage Independent Distributor for other Network Marketing Ventures, either directly or through a third party. This includes, but is not limited to, presenting or assisting in the presentation of another Network Marketing Venture to any LifeVantage Independent Distributor or Customer, or implicitly or explicitly encouraging any LifeVantage Independent Distributor or Customer to join another Network Marketing Venture.

- 1) For a period of one (1) year following the Cancellation of an Independent Distributor's Agreement, the former Independent Distributor is strictly prohibited from recruiting any LifeVantage Independent Distributor, Preferred Customer or Direct Retail Customer for another Network Marketing Venture. By signing the Independent Distributor Application and Agreement, each Independent Distributor acknowledges and agrees that the Company is trying to protect legitimate business interests by this prohibition and such prohibition is reasonable in its scope and duration.
- 2) During the term of the Agreement, an Independent Distributor may not:
 - a) Produce, offer or transfer any literature, tapes, CDs, DVDs or other promotional material of any nature for another Network Marketing Venture which is used by the Independent Distributor or any third person to recruit LifeVantage Independent Distributors, Preferred Customers or Direct Retail Customers for that Network Marketing Venture;
 - b) Sell, offer to sell, or promote any competing non-LifeVantage products or services to LifeVantage Independent Distributors, Preferred Customers or Direct Retail Customers (any product in the same generic product category as a LifeVantage product is deemed to be competing (e.g., any nutritional supplement is in the same generic category as LifeVantage's nutritional supplements, and is therefore a competing product, regardless of differences in cost, quality, ingredients or nutrient content));
 - c) Offer LifeVantage products or promote the LifeVantage Compensation Plan in conjunction with any non-LifeVantage products, services, business plan, opportunity or incentive; or d) Offer any non-LifeVantage products, services, business plan, opportunity or incentive at any LifeVantage meeting, seminar, launch, convention or other LifeVantage function, or immediately following such event.

6.2 – Targeting Other Direct Sellers

LifeVantage does not encourage Independent Distributors to target the sales force of another direct sales company to sell LifeVantage products or to become Independent Distributors for LifeVantage, nor does LifeVantage encourage Independent Distributors to solicit or entice members of the sales force of another direct sales company to violate the terms of their contract with such other company.

6.3 – Cross-Sponsoring

Actual or attempted cross-sponsoring is strictly prohibited. If you try to cross sponsor or move someone from another downline, that individual must first terminate his existing relationship and wait at least six months before enrolling again. There are no exceptions to this rule even among family members. At its discretion, LifeVantage will take whatever action is deemed appropriate.

6.4 – Holding Applications or Orders

Independent Distributors must not manipulate enrollments of new applicants and the purchase of products. All Independent Distributor Applications and Agreements, and product orders must be sent to LifeVantage within forty-eight (48) hours from the time they are signed by an Independent Distributor or placed by a Retail Customer, respectively (see Section 6.5 "Stacking").

6.5 – Stacking

Special care must be taken to ensure that all Independent Distributor applications are submitted within two days and that the limit of two Independent Distributors per household rule is not violated to ensure the timely payment of bonuses and commissions.

SECTION 7 – COMMUNICATION AND CONFIDENTIALITY WITHIN A LIFEVANTAGE INDEPENDENT DISTRIBUTORSHIP

7.1 – Downline Activity (Genealogy Reports)

Downline Activity Reports are available for Independent Distributor access and viewing at LifeVantage’s official website. Independent Distributor access to their Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets and are owned exclusively by LifeVantage. Downline Activity Reports are provided to Independent Distributors in strictest confidence and are made available to Independent Distributors for the sole purpose of assisting Independent Distributors in working with their respective Downline Organizations in the development of their LifeVantage Independent Distributorship. Independent Distributors should use their Downline Activity Reports to assist, motivate and train their Downline Independent Distributors and support their customers. The Independent Distributor and LifeVantage acknowledge and agree that, but for this agreement of confidentiality and nondisclosure, LifeVantage would not provide Downline Activity Reports to the Independent Distributor. An Independent Distributor shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- 1) Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- 2) Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- 3) Use the information to compete with LifeVantage or for any purpose other than promoting his or her LifeVantage Independent Distributorship;
- 4) Recruit or solicit any Independent Distributor, Preferred Customer or Direct Retail Customer of LifeVantage listed on any report, or in any manner attempt to influence or induce any Independent Distributor, Preferred Customer or Direct Retail Customer, to alter their business relationship with LifeVantage;
- 5) Use or disclose to any person, partnership, association, corporation or other entity any information contained in any Downline Activity Report. Upon demand by the Company, any current or former Independent Distributor will return the original and all copies of Downline Activity Reports to the Company; and
- 6) It is a violation of these Policies and Procedures for an Independent Distributor or a third party to access this data via reverse engineering, keystroke monitoring or by any other means.

7.2 – Communication Opt-in

Independent Distributor agrees that LifeVantage may contact you by telephone using automated technology (e.g., an auto-dialer or pre-recorded messaging), text messaging or email. You consent and agree to LifeVantage contacting you in this manner at the telephone number(s) or email address that you provided or as updated. You consent and agree to the LifeVantage privacy policy when you sign and submit this Distributor Agreement.

SECTION 8 – ADVERTISING

8.1 – General

In order to safeguard and promote the good reputation and established brands of LifeVantage and its products and ensure that the promotion of LifeVantage, the LifeVantage opportunity, the Compensation Plan, and LifeVantage products are consistent with the public interest and avoid all discourteous, deceptive, misleading, unethical

or immoral conduct or practices, all Independent Distributors, except those with significant experience and who have achieved the rank of Elite Pro 7 or higher (see below in this same section 8.1), are encouraged to use the sales aids and support materials produced by LifeVantage. The Company has carefully designed its products, product labels, Compensation Plan and promotional materials to ensure that the presentation of each aspect of LifeVantage is fair, truthful, substantiated and complies with the vast and complex legal requirements of federal, state and other applicable local laws. Elite Pro 7 or higher Independent Distributors who use LifeVantage-provided marketing material not in keeping with their purpose or if Independent Distributors use supplemental marketing materials inappropriately may result in any of the actions set forth in Section 14.1 including, without limitation, the following:

- 1) Formal warning letter and/or probation;
- 2) Suspension of commissions;
- 3) Termination of the Independent Distributor Agreement; and/or
- 4) Possible litigation.

8.2 – Trademarks and Copyrights

No Independent Distributor shall use LifeVantage's trade names, trademarks, designs, or symbols without its prior, written permission. Violations of such will be dealt with according with the law., including unauthorized copies

8.3 – Unauthorized Claims and Actions

8.3.1 – Indemnification

Independent Distributors who violate the terms and conditions and cause harm are fully responsible for any and all expenses resulting from the harm caused, including any legal calls for restitution. In addition, LifeVantage may terminate their membership.

8.3.2 – Product Claims

Independent Distributors must make no claims or exaggerations regarding a product's ability to cure or treat disease, which is a violation of the food and drug safety laws.

8.3.3 – Income Claims

It is important that all Independent Distributors are fully informed and have realistic expectations concerning the income opportunity associated with being a LifeVantage Distributor. Therefore, it is important that Independent Distributors not make any claims, specific or implied, regarding the income opportunity that are false or misleading, including income guarantees of any kind.

As to lifestyle claims (e.g., my LifeVantage business allowed me to buy a boat, quit my job, purchase a new home, etc.), Independent Distributors may only make such claims if the following conditions are met:

- 1) The information must be accurate and not misleading;
- 2) The information must be based on their experience and actual compensation level, or be consistent with information in Company Support Materials.

Hypothetical income examples that are used to explain the operation of the Compensation Plan and which are based solely on mathematical projections, may be made to prospective Independent Distributors, so long as the Independent Distributor who uses such hypothetical examples makes clear to the prospective Independent Distributor(s) that such earnings are hypothetical.

When any compensation claim is made, Earnings, Lifestyle, Hypothetical, or otherwise, the Independent Distributor must simultaneously disclose in immediate proximity the most recent Average Income Statement prepared by the Company.

8.3.4 – Use of Celebrity Names and Likeness

No names or likeness of a celebrity may be published by Independent Distributors in association with LifeVantage without prior written approval of LifeVantage.

8.3.5 – Interaction with Scientific Advisory Board and other Company Consultants

LifeVantage has special relationships with many scientific professionals and other consultants that are openly acknowledged by LifeVantage and in full legal compliance. Independent Distributors should continually keep informed about product news and information released by LifeVantage.

8.3.6 – Governmental Approval or Endorsement

Government regulatory agencies do not approve or endorse any direct selling or network marketing companies or programs. Therefore, Independent Distributors shall not represent or imply that LifeVantage or its Compensation Plan has been “approved,” “endorsed” or otherwise sanctioned by any government agency.

8.4 – Mass Media

8.4.1 – Promotions Utilizing Mass Media Prohibited

Except as otherwise specifically authorized herein, Independent Distributors may not use any form of media or other mass communication advertising to promote the products or opportunity. This includes news stories or promotional pieces on TV shows, newscasts, entertainment shows, Internet ads, etc. Products may be promoted only by personal contact or by literature produced and distributed by the Company or by Independent Distributors in accordance with these Policies and Procedures. Independent Distributors may place generic opportunity advertisements in jurisdictions allowing that type of advertisement, but only in accordance with the Policies and Procedures of the Company and in compliance with applicable law.

8.4.2 – Media Interviews

Independent Distributors may not promote the Products or opportunity through interviews with the media, articles in publications, news reports, press releases or any other public information, trade or industry information source, unless specifically authorized, in writing, by the Company.

8.5 – Internet

8.5.1 – General

All LifeVantage Independent Distributors are personally responsible for their online postings and all other online activity that relates to LifeVantage. LifeVantage Independent Distributors are responsible to post in a way that builds, strengthens and enhances LifeVantage’s reputation, image and standing in the community. LifeVantage Independent Distributors must disclose their full names on all relevant social media profiles that relate to LifeVantage and its products or business, and each must conspicuously identify themselves as a “LifeVantage Independent Distributor.” If problems arise, you must be responsible to take action to correct such problems. If you are the domain name owner or control online social media programs, you must take decisive action to correct any problems that might occur.

8.5.2 – Independent Distributor Websites

If an Independent Distributor desires to utilize an Internet web page to promote his or her Independent Distributorship, he or she may do as long as the website does not falsely promote himself/herself.

8.5.3 – Social Media and Other Internet Use

Social media sites may not be used as a direct medium for generating sales or explaining the LifeVantage income opportunity or product.

8.5.3.1 – The Official LifeVantage Public Facebook (or similar) Pages

LifeVantage has an official public Facebook page which it uses to invite potential customers and investors to investigate the company. It is not intended to be used by LifeVantage Independent Distributors to sell product or promote their business or to interact with other distributors or consumers.

8.5.3.2 – Closed Independent Distributor Facebook (or similar) Pages

LifeVantage will also create a closed corporate Facebook community for company and Independent Distributor use. Independent Distributors may also create a closed group and may utilize such group to educate, discuss and disseminate information about LifeVantage, its products, science and business opportunity amongst themselves. Independent Distributors may join these groups only with the consent of LifeVantage.

8.5.3.3 – Other Internet Use

If a LifeVantage Independent Distributor uses intellectual property of any third party in any online posting, it is their responsibility to ensure that they have received the proper license to use such intellectual property and pay the appropriate license fee.

8.5.5 – Respecting Privacy

LifeVantage Independent Distributors must always respect the privacy of others in their postings and respect and obey the rules governing the online site. They must not engage in gossip or criticize individuals that can lead to problems of loss of reputation for others.

8.5.6 – Professionalism

LifeVantage Independent Distributors must ensure that their postings are truthful and accurate. This requires that they fact-check all material they post online. They should also carefully check their postings for spelling, punctuation and grammatical errors. Use of offensive language is prohibited.

8.5.7 – Prohibited Postings

LifeVantage Independent Distributors may not make any postings or link to any postings or other material that:

- 1) Is sexually explicit, obscene or pornographic;
- 2) Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
- 3) Is graphically violent, including any violent video game images;
- 4) Is solicitous of any unlawful behavior;
- 5) Engages in personal attacks on any individual, group or entity; or
- 6) Is in violation of any intellectual property rights of the Company or any third party.

8.5.8 – Responding to Negative Online Posts

LifeVantage Independent Distributors should report negative posts to the Company at thcompliance@lifestage.com and deal with such posts appropriately.

8.5.9 – Cancellation of Your LifeVantage Business

If a LifeVantage Independent Distributor's LifeVantage business is cancelled for any reason, they must discontinue using the LifeVantage name, and all of LifeVantage's trademarks, trade names, service marks and other intellectual property.

8.5.10 – E-mail

Independent Distributors are responsible for ensuring the content used in their messaging, including emails. If you receive any questions related to content regarding LifeVantage or its products via email from members or elsewhere, you may contact LifeVantage to verify the content by phone (02) 018-1999, by fax (02) 018-1900 or by email at thsupport@lifevantage.com

Independent Distributors should include the message below in their emails when corresponding with others about LifeVantage.

Confidential Message

This email message (including attachments) contains information which may be confidential and/or legally privileged. Unless you are the intended recipient, you may not use, copy or disclose to anyone the message or any information contained in the message or from any attachments that were sent with this email. If you have received this email message in error, please advise the sender by email, and delete the message. Unauthorized disclosure and/or use of information contained in this email may result in civil and criminal liability.

8.5.11 – Online Classifieds

LifeVantage Independent Distributors may not use online classifieds to list, sell or retail specific LifeVantage products, product bundles or the opportunity.

8.5.12 – Online Auctions and Online Retailing

LifeVantage's products and program may not be listed online auctions, nor may Independent Distributors enlist or knowingly allow or facilitate a third party to sell LifeVantage products on online auctions.

8.5.13 – Diversion and Sale to Unauthorized Resellers

Independent Distributors may not list or sell LifeVantage products to outside parties on any retail store or e-commerce site except in the instance where the site only deals with other LifeVantage members.

8.5.14 – Banner Advertising

Independent Distributors may place banner advertisements on their third-party websites (as described herein below); provided, however, that they only use LifeVantage-approved templates and images from the Tools tab in the Virtual Office, and do not list any pricing, discounts or promotions of any LifeVantage product on such advertisement. Any LifeVantage-related banner advertisements on these websites must link back directly to their Replicated LifeVantage Websites.

8.5.15 – Spam Linking

Spam linking is not allowed.

8.5.16 – Digital Media Submission (e.g., YouTube, iTunes, PhotoBucket, etc.)

Independent Distributors may not upload, submit or publish LifeVantage-related video, audio or photo content to any website.

8.5.17 – Sponsored Links, Pay-Per-Click (PPC) Ads, and Paid Search

Sponsored links or pay-per-click ads (PPC) must not be used by Independent Distributors to advertise LifeVantage.

8.6 – Spamming and Unsolicited Faxes

Independent Distributors may not send or transmit unsolicited faxes, mass e-mail distribution, unsolicited e-mail or "spamming" relative to the operation of their LifeVantage Independent Distributorships.

8.7 – Telemarketing

LifeVantage has no policy to support the use of telemarketing tools in the promotion of its business in order to avoid legal difficulties that might arise from such use.

8.8 – Advertised Product Price

Independent Distributors may not advertise LifeVantage Products at a price LESS than the suggested retail price of one (1) unit of the LifeVantage product. Independent Distributors also agree that all advertising regarding the price of Products will be truthful and will not contain misleading statements (e.g. “lowest price available” which infers that an Independent Distributor is able to sell the Products at a lower price than other Independent Distributors, etc.).

SECTION 9 – RULES AND REGULATIONS

9.1 – Identification

Independent Distributors will be issued member identification cards that list their member number to be used when conducting LifeVantage business.

9.2 – Withholding Tax

Each Independent Distributor must submit to LifeVantage a document establishing the rate of withholding tax which must be collected and sent to the government in accordance with the law.

9.3 – Insurance

9.3.1 – Business Pursuits Coverage

A LifeVantage Independent Distributor may wish to arrange insurance coverage for their Distributorship to cover business-related injuries or the theft of or damage to inventory or business equipment.

9.3.2 – Product Liability Coverage

LifeVantage maintains insurance to protect the Company and Independent Distributors against product liability claims. LifeVantage’s insurance policy extends coverage to Independent Distributors so long as they are marketing LifeVantage products in the regular course of conduct and in accordance with Company policies and applicable laws and regulations. LifeVantage’s product liability policy may not extend coverage to claims or actions that arise as a result of an Independent Distributor’s misconduct in marketing the products.

9.4 – International Marketing

Independent Distributors are authorized to sell LifeVantage products in countries in which LifeVantage is authorized to conduct business.

9.4.1 – International Marketing Definitions

9.4.1.1 – Un-Authorized Markets (Pre-Market) – Prior to the official opening of a country, permissible Independent Distributor activity is limited to providing business cards and conducting, organizing or participating in meetings with no more than five (5) attendees, including the Independent Distributor. These meetings must be held in a private home.

Independent Distributor Pre-Market opening conduct prohibited includes:

9.4.1.1.1 – All cold-calling techniques (soliciting persons who are not prior personal acquaintances of the contacting Independent Distributor) are strictly prohibited in unauthorized markets;

9.4.1.1.2 – Importing or facilitating the importation of, selling, gifting or distributing in any manner, Company products, services or product sample(s)

9.4.1.1.3 – Placing any type of advertisement or distributing any promotional materials regarding the Company, its products or the opportunity, except for official LifeVantage material specifically authorized for distribution in unopened markets as designated by the Company;

9.4.1.1.4 – Independent Distributors may not sign up a citizen or resident of unopened markets in an Authorized Country or by using the Distributor Agreement forms from an Authorized Country, unless the citizen or resident of the unopened market has, at the time of sign-up, permanent residence and the legal authorization to work in the Authorized Country. It is the enrolling Independent Distributor’s responsibility to ensure compliance with residency and work authorization requirements.

9.4.1.1.5 – Accepting money or other consideration, or being involved in any financial transaction with any potential Independent Distributor either personally or through an agent, for purposes relating to Company products or the opportunity, including renting, leasing or purchasing facilities for the purpose of promoting or conducting Company-related business;

9.4.1.1.6 – Promoting, facilitating or conducting any type of activity which exceeds the limitations set forth in the Company’s Policies and Procedures or which the Company, in its sole discretion, deems to be contradictory to the Company’s business or ethical interests in international expansion.

9.4.1.2 – Not-For-Resale (“NFR”)

Countries where residences of the country are allowed to import products for personal use only on a “not-for-resale” basis, but where the reselling of those products is prohibited.

9.5 – Adherence to Laws and Ordinances

9.5.1 – Local Ordinances

There are laws regulating certain home-based businesses. In most cases these ordinances are not applicable to LifeVantage Independent Distributors because of the nature of their Independent Distributorships. However, Independent Distributors must obey those laws that do apply to them.

9.5.2 – Compliance with Applicable Laws

Independent Distributors shall comply with all local laws and regulations in the conduct of their Independent Distributorships.

SECTION 10 – SALES

10.1 – Commercial Outlets

LifeVantage strongly encourages the retailing and selling of its products through person-to-person contact. In an effort to reinforce this method of marketing and to help provide a standard of fairness for its Independent Distributor base, Independent Distributors may not display or sell LifeVantage products or literature in any retail establishment. Independent Distributors may, however, sell LifeVantage products from service establishments which see customers or clients on an appointment basis only such as hair salons, spas or chiropractic clinics, etc. LifeVantage will permit Independent Distributors to solicit and make commercial sales upon prior written approval from the Company. The term “commercial sale” means the sale of LifeVantage products to a third party who intends to resell such products to an end consumer.

10.2 – Trade Shows, Expositions and Other Sales Forums

Independent Distributors may display and/or sell LifeVantage products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Independent Distributors must contact the LifeVantage in writing for approval. Approval will be on a case by case basis.

10.3 – Excess Inventory Purchases Prohibited

LifeVantage strictly prohibits the purchase of products in unreasonable amounts primarily for the purpose of qualifying for commissions, bonuses or advancement in the Compensation Plan. Independent Distributors may not purchase more inventory than they can reasonably resell or consume. To ensure that Independent Distributors are not encumbered with excess inventory that they are unable to sell, such inventory may be returned to LifeVantage upon the Independent Distributor's Cancellation pursuant to the terms of Section 13.

10.4 – Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited, including “

- 1) 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;
- 2) the fraudulent enrollment of an individual or entity as an Independent Distributor
- 3) the enrollment or attempted enrollment of non-existent individuals or entities as Independent Distributors;
- 4) the use of a credit card by or on behalf of an Independent Distributor, when the Independent Distributor, is not the account holder of such credit card; and
- 5) purchasing LifeVantage product on behalf of another Customer ID to qualify for commissions, bonuses or incentives.

10.5 – Repackaging and Relabeling Prohibited

Independent Distributors may not repackage, relabel, refill or alter the labels on any LifeVantage products, information, materials or programs in any way. Violators may be prosecuted in accordance with the law.

SECTION 11 – SALES REQUIREMENTS

11.1 – Product Sales

The LifeVantage Compensation Plan has unlimited potential and depends upon the ability to conduct business. The more you sell, the more you succeed and develop, resulting in higher bonuses and commissions.

11.1.1 – Sales Volume

Independent Distributors must satisfy the Personal Sales Volume (“PV”) and Organizational Sales Volume (“OV”) requirements to fulfill the requirements as specified in the LifeVantage Compensation Plan.

11.1.2 – Complying With the 70% Sales Rule

The Independent Distributor must comply with the 70% Sales Rule as set forth in Section 11.3 below.

11.2 – No Territory Restrictions

There are no exclusive territories granted to anyone.

11.3 – 70% Sales Rule

By placing a new product order, an Independent Distributor is deemed to have certified that he or she has sold or consumed at least 70% of all products purchased in prior orders. Each Independent Distributor that receives rebates, bonuses or commissions and orders additional product agrees to retain documentation that demonstrates compliance with this policy, including evidence of retail sales, for a period of at least four (4) years.

11.4 – Sales Receipts

Independent Distributors must provide their Retail Customers with a receipt. Independent Distributors must also keep copies of these receipts for four years in order to reference sales and any cancellations.

SECTION 12 – REBATES, BONUSES AND COMMISSIONS

12.1 – Rebates, Bonuses and Commission Qualifications

An Independent Distributor must be active and in compliance with the Agreement to qualify for rebates, bonuses and commissions (“Financial Distributions”). So long as an Independent Distributor complies with the terms of the Agreement, LifeVantage shall pay Financial Distributions to such Independent Distributor in accordance with the Compensation Plan. The minimum amount for which LifeVantage will issue a deposit is 500 baht. If an Independent Distributor’s Financial Distributions does not equal or exceed 500 baht, the Company will accrue the Financial Distributions until they total 500 baht. A deposit will be issued after 500 baht has been accrued.

12.1.1 – Check Processing Fee

LifeVantage will charge a 30 baht processing fee for all Financial Distributions. In the event that LifeVantage issues a check for payment, a 105 baht charge will be collected.

12.2 – Adjustment to Rebates, Bonuses and Commissions

Independent Distributors receive rebates for PV in excess of 200 PV and Financial Distributions based on the actual sales of products to end consumers. When a product is returned to LifeVantage for a refund, the Financial Distributions attributable to the returned product(s) will be deducted in the month in which the refund is given.

12.2.1 – Cancellation Within the First 30 Days

If an Independent Distributor chooses to cancel the Agreement within the first thirty (30) days of enrollment and also chooses to return the product that they have ordered, a refund will be issued for the full amount paid in accordance to Section 12.2.

12.3 – Unclaimed Commissions and Credits

In the event that checks are issued, Independent Distributors must deposit or cash rebate, commission and bonus checks within six months from their date of issuance. A check that remains uncashed after six (6) months will be void. After a check has been voided, LifeVantage will attempt to notify an Independent Distributor who has an uncashed check by sending a monthly written notice to his or her last known address identifying the amount of the check and advising that the Independent Distributor can request that the check be reissued. There shall be a \$875.00 charge for reissuing a check. This charge shall be deducted from the balance owed to the Independent Distributor. Direct Retail Customers, Preferred Customers and Independent Distributors who have a credit on account must use their credit within six (6) months from the date on which the credit was issued. If credits have not been used within six (6) months, LifeVantage shall attempt to notify the Independent Distributor, by sending written notice to the last known address, advising the Independent Distributor, of the credit. There shall be a \$350.00 charge for each attempted notification. This charge shall be deducted from the Independent Distributor’s or Customer’s credit on account.

12.4 – Incentive Trips and Awards

From time to time, the Company may provide incentive trips and other awards to qualified Independent Distributors. These awards or trips may be based on title and high Independent Distributor performance and are provided only to the person(s) listed on a qualifying Independent Distributor Agreement, LifeVantage may pay some or all of the costs of such incentive trips. , The Independent Distributor is liable for all applicable taxes and other expenses not covered by LifeVantage.

12.5 – Reports

For the purposes of this Section 12.5, “LifeVantage” means the entity and all of its employees, officers, directors, independent contractors, Independent Distributors, Customers and agents.

12.5.1 – Downline Reports

Independent Distributor understands that LifeVantage regularly provides information to each of its Independent Distributors. This includes, but is not limited to, reports of online or telephonic Downline activity, such as personal and group sales volume, and downline sponsoring activity (the “Information”).

12.5.2 – Report Indemnification

LifeVantage will cover losses due to commissions or bonuses, such as might arise from delays owing to LifeVantage itself; however, losses resulting from mistakes caused by the Independent Distributor remain the responsibility of the Independent Distributor and not LifeVantage.

SECTION 13 – PRODUCT GUARANTEE, RETURNS AND INVENTORY REPURCHASE

13.1 – Product Guarantee

Product and marketing materials returned within forty-five (45) days after the purchase shall receive a 100% refund, less shipping and handling costs. Only unopened product shall be eligible for a refund, unless defective. Product must be in resalable and restockable condition in order to be eligible for a refund. Resalable is defined as product still in its original packaging, with seals and wrapping in place. All returns must have a Return Merchandise Authorization (“RMA”), issued through Distributor Support. Independent Distributors and Customers are responsible for returning product to the Company within ten (10) business days of receipt of the RMA or the product will not be eligible for return.

13.2 – Inventory Repurchase

An Independent Distributor who resigns, which resignation must be in writing, may return product or marketing materials purchased within the last twelve (12) months prior to resignation, subject to the 70% Sales Rule (see Section 11.3, above), and subject to the same provisions set forth in Section 13.1, above, regarding resalability and RMAs. Upon compliance with all applicable requirements, a full refund, less a 10% restocking fee and shipping and handling costs will be issued by the Company. Any product that is expired, or that is within three (3) months of expiration, will not be eligible for a refund. Please allow for up to twenty (20) days from the time that the product is received for the refund to be processed.

13.2.1 – If a shipment is refused whether it is an Autoship or an order that has just been placed, LifeVantage will charge a 350 THB shipment refusal fee to the form of payment on file.

13.3 – Exceptions to the Refund Policies

Previously paid Financial Distributions (as described in Section 12) may be reversed or adjusted as a result of the exceptions and at the sole discretion of the Company. Any Commissions paid to the Independent Distributor and his or her upline for the product returned by the Independent Distributor or customer may be debited from the

respective upline Independent Distributor's account or withheld from present or future commission payments. An Independent Distributor agrees that he or she will not rely on existing downline volume at the close of a commission's period, as returns may cause changes to his or her title, rank and/or commissions payout.

SECTION 14 – DISPUTE RESOLUTION AND REMEDIES

14.1 – Remedies

Any breach of the Agreement, including these Policies and Procedures, or any illegal, fraudulent, deceptive or unethical business conduct by an Independent Distributor may result, at LifeVantage's discretion, in one or more of the following actions:

- 1) Issuance of a written warning or admonition;
- 2) Issuance of a writing that directs the Independent Distributor to make immediate corrective measures;
- 3) Loss of rights to one or more bonus and commission checks; in whole or in part;
- 4) The withholding from an Independent Distributor's Financial Distributions (as described in Section 12) during the period that LifeVantage is investigating any conduct that allegedly violates the Agreement;
- 5) Suspension of the Agreement for one or more pay periods;
- 6) Cancellation of the Agreement;
- 7) Cancellation of the Independent Distributor Agreement of any other household member or affiliated Individual who is in association with the breaching Independent Distributor;
- 8) Any other measure expressly allowed by the Agreement of which LifeVantage deems necessary to implement and appropriate in order to provide a remedy for injuries caused partially or exclusively by the Independent Distributor's breach; or
- 9) The commencement of legal proceedings for monetary or equitable relief or both.

14.2 – Grievances and Complaints

When an Independent Distributor has a grievance or complaint with another Independent Distributor regarding any practice or conduct in relationship to their respective LifeVantage Independent Distributorship, the complaining Independent 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 cannot be resolved, it must be reported in writing to the company's Distributor Support Department. The Distributor Support Department will review the facts and attempt to resolve it.

14.3 – Governing Law and Resolution of Disputes

14.3.1 – The interpretation and enforcement of this Agreement is governed by and shall be construed and interpreted in accordance with the laws of Thailand, without giving effect to conflicts of interests principles.

14.3.2 – The parties agree that personal jurisdiction and venue for any dispute arising out of or relating to this Agreement are proper exclusively in the courts located in Thailand, and both parties hereby submit to, and waive any objection to, personal jurisdiction or venue in such courts for such purpose.

14.3.3 – Each party shall bear its own attorneys’ fees and any other costs and expenses incurred in the resolution of any dispute without regard to the outcome.

14.4 – Injunctive Relief

The Independent Distributor acknowledges that the covenants set forth in this Agreement relating to the protection of LifeVantage’s confidential and/or proprietary information are reasonable and necessary to protect the legitimate interests of LifeVantage. The Independent Distributor further acknowledges that his/her breach of such covenants would cause LifeVantage irreparable harm, the amount and extent of which would be very difficult to estimate or ascertain. Therefore, the Independent Distributor agrees that LifeVantage shall be entitled, without the necessity of posting a bond or other security, to the issuance of injunctive relief to enjoin the Independent Distributor from beaching or threatening to breach such covenants. In any case, injunctive relief shall not be the exclusive remedy available to LifeVantage.

SECTION 15 – ORDERING

15.1 – Direct Retail Customers and Preferred Customers

Independent Distributors can purchase their products directly from LifeVantage with their credit card. LifeVantage will send the ordered products directly to the customer. Preferred Customers must also enroll in LifeVantage’s Autoship program whereby the Preferred Customer will sign up to have a pre-selected package of LifeVantage products delivered to his or her home automatically each month.

15.2 – Purchasing LifeVantage Products

Each Independent Distributor should purchase his or her products directly from LifeVantage under his or her Independent Distributor Number to ensure that his/her Personal Sales Volume is associated with that purchase.

15.3 – General Order Policies

On mail orders with invalid or incorrect payment, LifeVantage will attempt to contact the Independent Distributor or Customer by phone and/or mail to try to obtain another payment. Please make the payment within five days. Orders for products and sales aids may be combined.

15.4 – Shipping and Back Order Policy

LifeVantage will expeditiously ship any part of an order currently in stock. If, however, an ordered item is out of stock, it will be placed on back order and sent when LifeVantage receives additional inventory. Independent Distributors will be charged and given Personal Sales Volume on back ordered items unless notified on the invoice that the product has been discontinued. Discontinued items that were ordered will be fully refunded and PV recalculated as necessary.

15.5 – Confirmation of Order

An Independent Distributor must notify LifeVantage within 30 days of any damage to shipped items.

SECTION 16 – PAYMENT AND SHIPPING

16.1 – Deposits

No monies should be paid to or accepted by an Independent Distributor for a sale to a personal customer except at the time of product delivery. Independent Distributors should not accept monies from customers to be held for deposit in anticipation of future deliveries.

16.2 – Insufficient Funds

It is the responsibility of each Independent Distributor to ensure that there are sufficient funds or credit available in his or her account to cover the monthly Autoship order. Please try to ensure that you have adequate funds on hand to cover any orders placed.

16.3 – Restrictions on Third Party Use of Credit Cards

Independent Distributors shall not permit other Independent Distributors or Customers to use his or her credit card.

16.4 – Sales Taxes

In accordance with Thai law, VAT will be collected on all orders placed.

SECTION 17 – INACTIVITY AND CANCELLATION

17.1 – Effect of Cancellation

Following an Independent Distributor's non-renewal of his or her Agreement (all of these methods are collectively referred to as "Cancellation"), the former Independent Distributor shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the marketing organization. An Independent Distributor whose independent distributorship is cancelled will permanently lose all rights as an Independent Distributor. This includes the right to sell LifeVantage products and the right to receive future commissions, bonuses or other income resulting from the sales and other activities of the Independent Distributor's former marketing organization.

17.2 – Cancellation Due to Inactivity

An Independent Distributor who has no activity or who has a cumulative sales (PV) of less than 3500 for a period of twelve (12) consecutive calendar months, shall be cancelled for inactivity. The Cancellation will become effective on the day following the last day of the twelfth month of inactivity. Independent Distributors may reapply as a new Independent Distributor in accordance with Section 4.7.5 "Cancellation and Reapplication."

17.3 – Involuntary Cancellation

An Independent Distributor's breach of any of the terms of the Agreement may result in any of the sanctions actions in Section 14.1, including the involuntary cancellation of his or her Agreement. Unless otherwise provided for in the cancellation notice, cancellation shall be effective on the date on which written notice is mailed, faxed or delivered to an express courier to the Independent.

17.4 – Voluntary Cancellation

An Independent Distributor has the right to cancel the Agreement at any time. Cancellation must be submitted in writing to LifeVantage at its business address.. However, if an Independent Distributor is not in good standing with the Company at the time LifeVantage receives notice of cancellation, the consequences of an involuntary cancellation may take effect (as per Section 14). Independent Distributors may reapply as a new Independent Distributor in accordance with Section 4.7.5 "Cancellation and Reapplication."

17.5 – Non-Renewal

An Independent Distributor may voluntarily cancel his or her Independent Distributor Agreement by sending written notice within thirty (30) days of the anniversary date. The Company may also elect not to renew the Agreement upon the Agreement's anniversary date.

SECTION 18 – DEFINITIONS

Acceptance – means the acceptance of the offer of LifeVantage to become an Independent Distributor by completing an Independent Distributor Application and Agreement and delivering it to LifeVantage. “Acceptance” shall be deemed to occur when LifeVantage first receives an Independent Distributor Application and Agreement from a person who has decided to become an Independent Distributor.

Active or Active Independent Distributor – means an Independent Distributor who satisfies the minimum Personal Sales Volume requirements, as set forth in the LifeVantage Compensation Plan, to ensure that he or she is eligible to receive rebates, bonuses and commissions.

Active Rank – means the current rank of an Independent Distributor, as determined by the LifeVantage Compensation Plan, for any calendar month. To be considered “Active” relative to a particular rank, an Independent Distributor must meet the criteria set forth in the LifeVantage Compensation Plan for his or her respective rank. (See the definition of “Rank” below.)

Agreement – means the contract between the Company and each Independent Distributor which includes the Independent Distributor Application and Agreement, the LifeVantage Policies and Procedures, the LifeVantage Compensation Plan, Autoship Agreement, and the Business Entity Form (where appropriate), all in their current form or as amended by LifeVantage from time to time in its sole discretion. These documents are collectively referred to as and comprise the “Agreement.”

Autoship, Autoship Agreement – means the optional LifeVantage program that automatically ships product to Independent Distributors. The Autoship Agreement is incorporated into the “Agreement” and can be found as part of the Independent Distributor or Preferred Customer Application and Agreement.

Breach – “Breach,” “Default” and “Violation” mean an actual or alleged transgression or violation of any part of the Agreement.

Business Center(s) – means additional Independent Distributorship positions allowed under the original Independent Distributorship.

Cancellation – means the termination of an Independent Distributorship. Cancellation may be either voluntary or involuntary, through non-renewal or inactivity. **Commissionable Volume** – means all LifeVantage products on which Financial Distributions are paid. Start Kits and sales aids do not contain Commissionable Volume.

Company – means LifeVantage (Thailand) Company Limited and/or LifeVantage Corporation.

Customer – means Direct Retail or Preferred Customer. Customers may purchase product for personal use only and may not resell product. An Independent Distributor is not and may not act as a Customer.

Direct Retail Customer (sometimes referred to as Retail Customer) – means a customer who purchases directly from LifeVantage at retail prices and who is not an Independent Distributor. Customers may purchase product for personal use only and may not resell product. An Independent Distributor is not and may not act as a Direct Retail Customer.

Downline – means the network of Independent Distributors and Customers who exist under an Independent Distributorship. Independent Distributor understands that (1) Independent Distributor does not have any ownership or possessory right, title or interest in any downline individual, entity, organization or in any materials generated by LifeVantage or created by Independent Distributor or any other individual or entity to the extent that it consists, in whole or in part, of any information about LifeVantage downlines or any part of the Agreement; (2) the sole property interest of an Independent Distributor with respect to downlines is the contractual right to receive commissions as set forth in the Agreement; and (3) that LifeVantage is the sole owner of any and all downline rights, titles, interests and materials.

Downline Activity Report – means a monthly report generated by LifeVantage that provides critical data relating to the identities of Independent Distributors, Customers, sales information and enrollment activity of each Independent Distributor’s marketing organization. This report contains confidential and trade secret information which is proprietary to LifeVantage. It is owned solely by LifeVantage.

Downline Leg – Each of the individuals enrolled immediately underneath an Independent Distributor and their respective marketing organizations represent one “leg” in the Independent Distributor’s marketing organization.

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

Enrolled – means the Independent Distributors and Customers who have been signed up as LifeVantage Independent Distributors or Customers by another Independent Distributor or Customer, as the case may be.

Enroller – means the Independent Distributor who enrolls a new Independent Distributor or Customer into LifeVantage. The enroller may “place” the new Independent Distributor or Customer under himself or herself, or may place the new Independent Distributor or Customer under any eligible downline. The person whom the new Independent Distributor or Customer is placed under is the new Independent Distributor’s “placement sponsor.” The same Independent Distributor may be a new Independent Distributor’s “Enroller” and “Placement Sponsor.” See the definition of “Placement Sponsor” below.

Group Sales Volume (GV) – means the commissionable value of the LifeVantage products generated by an Independent Distributor’s marketing organization. Group Sales Volume does not include the Personal Sales Volume (PV) of the subject Independent Distributor. (Independent Distributor Start Kits and non-product sales aids generate no Group Sales Volume.)

Immediate Household – means heads of household and dependent family members residing at the same house.

Independent Distributor – means an independent contractor who has signed and completed the official LifeVantage Independent Distributor Application and Agreement and whose Distributor Agreement has been accepted by LifeVantage. An Independent Distributor is required to meet certain qualifications and is responsible for the training, motivation, support and development of the Independent Distributors in their respective marketing organization. Independent Distributors are entitled to purchase LifeVantage products at wholesale prices, enroll Customers and new Independent Distributors, and participate in the Compensation Plan. Preferred Customers and Direct Retail Customers are not Independent Distributors.

Level – means the layers of downline Independent Distributors in a particular Independent Distributor’s marketing organization. This term refers to the relationship of an Independent Distributor relative to a particular upline Independent Distributor, determined by the number of Independent Distributors between them who are related by sponsorship. For example, if A is the sponsor of B, B is the Sponsor of C, C is the sponsor of D, and D is the sponsor of E, then E is on A’s fourth level.

Marketing Organization – means the Independent Distributors and Customers who are enrolled or sponsored below a particular Independent Distributor or Customer. **Official LifeVantage Material** – means literature, audio or digital recordings and other materials developed, printed, published and distributed by LifeVantage to Independent Distributors.

Organizational Sales Volume (OV) – means the commissionable value of LifeVantage products generated by an Independent Distributor’s marketing organization, including the Independent Distributor’s Personal Sales Volume (PV).

Personal Production – means selling product to an end consumer for personal use. **Personal Sales Volume (PV)** – means the commissionable value of products sold in a calendar month: (1) by the Company to an Independent Distributor; and (2) by the Company to the Independent Distributor’s personally enrolled Direct Retail Customers and Preferred Customers. **Placement (sometimes referred to as Sponsor or Placement Sponsor)** – means an Independent Distributor or Customer under whom the enroller places a new Independent Distributor or Customer.

Preferred Customer – means a customer who has completed a LifeVantage Preferred Customer Application and Agreement and purchases products directly from LifeVantage at wholesale prices. Preferred Customers participate in LifeVantage’s Autoship program and receive a selection of LifeVantage products automatically each month. Customers may purchase product for personal use only and may not resell product. An Independent Distributor is not and may not act as a Preferred Customer.

Rank – means the “title” that an Independent Distributor has achieved pursuant to the LifeVantage Compensation Plan.

Recruit – means, for purposes of LifeVantage’s Conflict of Interest Policy (Section 6), actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or through a third party, another LifeVantage Independent Distributor or Customer, Direct or Retail, to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the Independent Distributor’s actions are in response to an inquiry made by another Independent Distributor or Customer. Restockable and Resalable – means products and sales aids if each of the following elements is satisfied: (1) they are unopened and unused; (2) packaging and labeling has not been altered or damaged; (3) the product and packaging are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; (4) products are returned to LifeVantage within thirty (30) days from the date of purchase; (5) the product expiration date has not elapsed; and (6) the product contains current LifeVantage labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued or as a seasonal item, shall not be resalable.

Retail Profit – means the difference between the wholesale price (as defined below) of products and the retail price an Independent Distributor receives for products when they are resold.

Roll-Up – means the method by which a vacancy is filled in a marketing organization left by an Independent Distributor or Preferred Customer whose respective Agreement has been cancelled.

Start Kit – means a selection of LifeVantage training materials and business support materials that each new Independent Distributor is required to purchase. This purchase may be optional in some states.

Suggested Retail Price (SRP) – means the price at which LifeVantage suggests Independent Distributors advertise a particular product or materials to retail customers.

Upline – means the Independent Distributor(s) above a particular Independent Distributor in a sponsorship line or enrollment line up to the Company. Conversely stated, it is the line of sponsors or enrollers that links any particular Independent Distributor or Customer to the Company.

Wholesale or Wholesale Price – means the price of the products that is paid to the Company by Independent Distributors or Preferred Customers. The wholesale price is also called the Independent Distributor Cost. All commissions and bonuses are paid on commissionable volume of LifeVantage products.

