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## INDEPENDENT DISTRIBUTOR AGREEMENT

This eXfuze Independent Distributor ("EID") Agreement, in its present form and as amended at the sole discretion of eXfuze LLC (the "COMPANY"). Throughout this Independent Distributor Agreement, when the term "Agreement" is used, it collectively refers to the EID Application and Agreement, these Terms and Conditions, these Policies and Procedures, the eXfuze Marketing and Compensation Plan, and the eXfuze Business Entity Application (if applicable). These documents are incorporated by reference into the EID Agreement (all in their current form and as amended by eXfuze). It is the responsibility of each EID to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of the Agreement. When recruiting and enrolling a new EID it is the responsibility of the Enroller to provide the most current version of the Agreement and the eXfuze Marketing and Compensation Plan to the applicant prior to his or her execution of the Agreement.

## TERMS AND CONDITIONS

1. I understand that as an eXfuze Independent Distributor (EID).
  - a) I have the right to offer for sale eXfuze products in accordance with these Terms and Conditions.
  - b) I have the right to enroll individuals and business entities into eXfuze as an EID.
  - c) I will train and motivate the EIDs in my downline sales team marketing organization.
  - d) I will comply with all federal, state and local laws, rules and regulations and shall make all reports and remit all withholdings or other deductions as may be required by federal, state and local laws.
  - e) I will perform my obligations as an EID with the utmost honesty and integrity
2. I agree to present the eXfuze business opportunity and eXfuze product and services as set forth on the corporate website located at [www.exfuze.com](http://www.exfuze.com).
3. I understand that I am not an employee of eXfuze and shall not be entitled to receive from eXfuze any benefits whatsoever as an eXfuze employee. I shall be fully responsible for paying all applicable federal, state, county and city taxes, source deductions, and other levies, premiums, license requirements and fees related to my earnings and activities as an EID. I agree that all bonuses and commissions are 1099 income and will be reported as such.
4. I agree that as an EID I am an independent contractor, and not an employee, agent, partner, legal representative, or franchisee of eXfuze. I agree that I will be solely responsible for paying all expenses incurred by myself, including but not limited to travel, food, lodging, secretarial, office, long distance telephone and other expenses. I am not authorized to and will not incur any debt, expense, obligation, or open any checking account on behalf of, for, or in the name of eXfuze. I shall be responsible for obtaining all necessary licenses and permits and for applying for all applicable federal, state and municipal laws, codes and regulations in connection with my activities as an EID.
5. I have carefully read and agree to comply with the eXfuze Policies and Procedures and the eXfuze Compensation Program, located on the eXfuze corporate website at [www.exfuze.com](http://www.exfuze.com) (These two documents shall be collectively referred to as the "EID Agreement"). I understand that I must be in good standing, and not in violation of the EID Agreement to be eligible for bonuses or commissions from eXfuze as outlined in the compensation program. I understand that these Terms and Conditions, the eXfuze Policies and Procedures, and the eXfuze Compensation Program may be amended at the sole discretion of eXfuze, and I agree that any such amendment will apply to me. Notification of amendments shall be published in official eXfuze materials including the corporate website at [www.exfuze.com](http://www.exfuze.com). Amendments shall become effective at time of publication. The continuation of my EID business or my acceptance of bonuses or commissions shall constitute my acceptance of any and all amendments.

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6. I understand that eXfuze discloses typical earnings of EIDs in its materials. At eXfuze every effort is made to ensure accurate representation of products and services and their potential for income. The primary source of income for a qualified Distributor is derived primarily from the direct profits on personal retail sales. To view what a typical participant in eXfuze earned, please visit [www.exfuze.com](http://www.exfuze.com) and download the eXfuze Independent Distributor Statement which is published quarterly. Earning and Income Statements made by eXfuze are estimates of what you may possibly earn. There is no guarantee that you will make these levels of income and you accept the risk that the earnings differ from one individual to another. Any income potential figures should not be considered a guarantee or projection of your actual earnings. Any representation or guarantee of earnings would be misleading. Success is achievable only from consistent sales results, which require hard work, diligence, and leadership. Your success will depend upon how effectively you exercise these qualities.
7. The term of the EID Agreement is one calendar year from date of enrollment as an EID. If I fail to annually renew my EID business with eXfuze, or in the event the EID Agreement is cancelled or terminated for any reason, I understand that I will permanently lose all rights as an EID. I shall not be eligible to sell eXfuze products or services nor shall I be eligible to receive commissions, bonuses or other income resulting from the activities of my former downline sales team organization. In the event of cancellation, termination or non-renewal, I waive all rights, including, but not limited to, property rights to my former downline sales team organization and to any bonuses, commissions or other remuneration derived through the sales and other activities of my former downline sales team organization. eXfuze reserves the right to terminate all EID Agreements upon 30 days notice for any reason, including if the Company:
  - a) ceases business operations;
  - b) dissolves as a business entity; or
  - c) terminates distribution of its product and/or its income opportunity via direct selling channels.
8. I understand that I have the right to terminate the EID Agreement at any time, with or without reason. I understand that such termination must be in writing.
9. I understand that the term of my EID business is one calendar year. The yearly renewal fee of \$40.00 will be charged on or after my anniversary enrollment date. The annual renewal fee is subject to change based on promotions eXfuze may choose, at its discretion to offer.
10. I may not assign any rights or delegate my duties under the EID Agreement without the prior written consent of eXfuze. Any attempt to transfer or assign the EID Agreement without the express written consent of eXfuze renders the EID Agreement voidable at the option of eXfuze and may result in termination of my EID Agreement. I understand that eXfuze may assign in whole or in part, any right under this EID Agreement, without notice or consent.
11. I understand that if I fail to comply with the terms of the EID Agreement, eXfuze may, at its discretion, impose upon me disciplinary action as set forth in the Policies and Procedures. If I am in breach, default or violation of the EID Agreement at termination, I shall not be entitled to receive any further bonuses or commissions, whether or not the sales for such bonuses or commissions have been completed.
12. eXfuze, its directors, officers, shareholders, charter members, employees, assigns and agents (collectively referred to as "affiliates"), shall not be liable for, and I release eXfuze and its affiliates from, all claims for consequential and exemplary damages. I further agree to release eXfuze and its affiliates from all liability arising from or relating to the promotion or operation of my EID business and any activities related to it.

(e.g., the presentation of eXfuze products or eXfuze Compensation Program, the operation of a motor vehicle, the

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lease of meeting or training facilities etc.), and agree to indemnify eXfuze for any liability, fines, penalties or other awards arising from any unauthorized conduct that I undertake in operating my eXfuze business.

13. The EID Agreement in its current form and as amended by eXfuze at its discretion, constitutes the entire contract between eXfuze and the EID. Any implied promises, representations, offers or other communications not expressly set forth in the EID Agreement are of no force or effect.
14. Any waiver by eXfuze of any breach of the EID Agreement must be in writing and signed by an authorized officer of eXfuze. Waiver by eXfuze of any breach of the EID Agreement by an EID shall not be construed as a waiver of any subsequent breach that may occur while operating their EID business.
15. If any provision of the EID Agreement is held to be invalid or unenforceable, such provision shall be reformed only to the extent necessary to make it enforceable and the balance of the EID Agreement will remain in full force and effect.
16. This EID Agreement will be governed by and construed in accordance with the laws of the State of Florida, without regard to principles of conflicts of laws. All disputes and claims relating to eXfuze, EID Agreement, Policies, Procedures, Terms and Conditions, Compensation Program or its products and business opportunity, the rights and obligations of an EID and eXfuze, or any other claims or causes of action relating to the performance of either an EID under the EID Agreement of the eXfuze Policies and Procedures shall be settled totally and finally by arbitration in Palm Beach Gardens, Florida, or such other location as eXfuze prescribes, in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association, except that all parties shall be entitled to discovery rights under the Federal Rules of Civil Procedure. All issues related to arbitration shall be governed by the Federal Arbitration Act. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of jurisdiction. The prevailing party shall be entitled to receive from the losing party, according to the decision of the arbitrator, costs and expenses, including legal and filing fees. The provision to arbitrate shall survive any termination or expiration of the EID Agreement. Nothing in the EID Agreement shall prevent eXfuze from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect eXfuze's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other pending proceeding.
17. The parties consent to jurisdiction and venue before any federal or state court in Palm Beach County, State of Florida, for purposes of enforcing an award by an arbitrator or any other matter not subject to arbitration.
18. Louisiana Residents Only: Notwithstanding the foregoing Louisiana residents may bring an action against the Company with jurisdiction and venue as provided by Louisiana law.
19. If a Distributor wishes to bring an action against eXfuze for any act or omission relating to or arising from the EID Agreement, such action must be brought within one year from the date of the alleged conduct giving rise to the cause of action. Failure to bring such action within such time shall bar all claims against eXfuze for such act or omission. Distributor waives all claims that any other statutes of limitations applies.
20. I authorize eXfuze to use my name, photograph, personal story and/or likeness in advertising or promotional materials and waive all claims for enumeration for such use.
21. A faxed copy of the EID Agreement shall be treated as an original in all respects. A signed EID Agreement must be on file at eXfuze for each EID before commissions earned will be issued.

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**STATEMENT OF POLICIES AND PROCEDURES**

**SECTION 1 - INTRODUCTION**

**1.1 — Policies and Compensation Plan Incorporated into eXfuze Independent Distributor Agreement ("EID")**

These Policies and Procedures, in their present form and as amended at the sole discretion of eXfuze LLC (the "COMPANY"), are incorporated into, and form an integral part of the eXfuze Independent Distributor (EID) Agreement. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the EID Application and Agreement, these Policies and Procedures, the eXfuze Marketing and Compensation Plan, and the eXfuze Business Entity Application (if applicable). These documents are incorporated by reference into the EID Agreement (all in their current form and as amended by eXfuze). It is the responsibility of each EID 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 recruiting and enrolling a new EID it is the responsibility of the Enroller to provide the most current version of these Policies and Procedures and the eXfuze Marketing and Compensation Plan to the applicant prior to his or her execution of the EID Agreement.

The EID Agreement constitutes the entire contract between eXfuze and the EID. Any promises, representations, offers, or other communications not expressly set forth in the EID Agreement are of no force and effect.

**1.2 — Purpose of Policies**

eXfuze is a direct marketing Company that markets products through EID's. It is important to understand that your success and the success of your fellow EID is dependent upon the integrity of the men and women who market our products. To clearly define the relationship that exists between EID and Company, and to explicitly set a standard for acceptable business conduct, eXfuze has established the Agreement.

EID's are required to comply with all of the Terms and Conditions set forth in the Agreement which Company may amend at its sole discretion from time to time, as well as all federal, state, provincial, territorial, and local laws governing their eXfuze 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 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 anyone in your upline or at the Company.

**1.3 — Changes to the Agreement**

Because federal, state, provincial, territorial and local laws, as well as the business environment, periodically change, Company reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By signing the EID Agreement, an EID agrees to abide by all amendments or modifications that Company elects to make. Amendments shall be effective upon notice to all EID's that the Agreement has been modified. Notification of amendments shall be published in official Company materials. The Company shall provide or make available to all EID's a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official web site; (2) electronic mail (e-mail); (3) fax; (4) inclusion in Company periodicals; (5) inclusion in product orders or bonus checks; or (6) special mailings. The continuation of an EID business or an EID's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

**1.4 — Delays**

Company 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 and death, curtailment of a party's source of supply, or government decrees or orders.

**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

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any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid, or unenforceable provision never comprised a part of the Agreement.

**1.6 — Waiver**

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of an EID or an EID business. No failure of Company to exercise any right or power under the Agreement or to insist upon strict compliance by an EID with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Company's right to demand exact compliance with the Agreement. Waiver by Company can be affected only in writing by an authorized officer of the Company. Company's waiver of any particular breach by a EID, or Company's waiver of any particular provision of the EID Agreement or these Policies and Procedures, shall not affect or impair Company's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other EID. Nor shall any delay or omission by Company to exercise any right arising from a breach affect or impair Company's rights as to that or any subsequent breach.

The existence of any claim or cause of action of an EID against Company shall not constitute a defense to Company's enforcement of any term or provision of the Agreement.

**1.7 — Limitation of Liability**

To the extent permitted by law, EID's agree that Company, its parent companies, directors, officers, shareholders, employees, assigns, successors, and agents (collectively referred to as "affiliates") shall not be liable for and EID's release eXfuze and its affiliates from, and waive all claims for, any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by an EID as a result of:

- a. EID's breach of the EID Agreement (including these Policies and Procedures);
- b. The improper promotion or operation of a eXfuze business by an EID and any activities related thereto (e.g., the presentation of Company's products or Marketing and Compensation Plan, the operation of a motor vehicle, the lease of meeting or training facilities, etc.);
- c. Any incorrect or wrong data or information provided by an EID to Company or,
- d. The EID's failure to provide any information or data necessary for Company to operate its business.

**SECTION 2 – BECOMING AN EXFUZE INDEPENDENT DISTRIBUTORS****2.1 — Requirements to Become an EID**

To become an EID, each applicant must:

- Be of the age of majority in his or her state of residence;
- Reside in a country that eXfuze has officially opened for the distribution of its products and services;
- Have a valid Social Security or Federal Tax ID number;
- Submit a properly completed EID Application and Agreement to eXfuze.

To become an EID, a new applicant is required to complete, read and agree to an EID Application and EID Agreement. The application should be accurately completed in its entirety and the applicant(s), including all partners, shareholders and equity owners, must agree to the EID Application and EID Agreement personally. Electronically submitted applications are considered as a received document. The Company reserves the right to reject any EID Application at its sole discretion. Upon notification of acceptance by Company, the new EID will be entered into the Company computer

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and electronic business files. If there are any errors on an Application, EID's should verify with the EID Support Department at Company as soon as the error is discovered to avoid delays in any rights under the Agreement.

Eligibility requirements to become an eXfuze Independent Distributor are as follows:

- a. **Legal Age.** Any individual who is of legal age and residing in a country where Company is currently doing business is eligible to become an EID.
- b. **ID Number.** An EID Identification Number is to be inserted on the Application. This number should be either the Individual's Social Security Number, a Federal Tax Identification Number, if applying as a business, or a government I.D., such as a passport number. Incorrect Tax I.D. Numbers can result in a \$100 fine and/or termination.
- c. **Legal Entity.** If an Applicant is a corporation, partnership or other legal entity, all shareholder(s) of the corporate Applicant, all partner(s) of the partnership or all owners of the legal entity applicant must agree to the EID Application, a list of the names of each shareholder of the corporate Applicant, each partner of the partnership Applicant, or each owner if another legal entity must accompany the EID Application. All legal documentation should be submitted with the Application, including but not limited to, articles of incorporation or organization, partnership agreements, regulations, charters, licenses, shareholder agreements, partnership agreements, and other pertinent legal information. The EID Application can be rejected without such documentation.
- d. **Change of Enrollers.** EID's wishing to change enrollers can do so only by resigning and then waiting six (6) months before rejoining with a new enroller without his/her original sales organization.
- e. **Independent Contractors.** ***EID's are Independent Contractors.*** They are not franchisees, joint ventures, partners, employees or agents of the Company, and are prohibited from stating or implying whether orally or in writing, otherwise. EID's have no authority to bind Company to any obligation. Company is not responsible for payment or co-payment of any employee benefits. EID's are responsible for liability, health, disability, workmen's compensation and other insurance. EID's set their own hours and determine how to conduct their company business and are responsible for their own management decisions subject to the Agreement. The reference to "position" is at it applies to EID's participation in the EID Marketing Plan and adherence to the Agreement.

## 2.2 — EID Benefits

Once an EID Application and Agreement has been accepted by eXfuze, the benefits of the Marketing and Compensation Plan and the EID Agreement are available to the new EID. These benefits include the right to:

- a. Purchase eXfuze products at the EID price;
- b. Retail eXfuze products and profit from these sales;
- c. Participate in the Company Marketing and Compensation Plan (receive bonuses and commissions, if eligible);
- d. Enroll other individuals as EID into the eXfuze business and thereby, build a marketing organization and progress through the Company Marketing and Compensation Plan;
- e. Receive periodic Company literature and other Company communications;
- f. Participate in Company-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- g. Participate in promotional and incentive contests and programs sponsored by eXfuze for its EID's.

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**2.3 — Renewal of Your eXfuze Business**

The term of the EID Agreement is one year from the date of its acceptance by eXfuze. An EID may renew his or her EID Agreement each year by paying an annual renewal fee of \$40.00 on or before the anniversary date of the EID Agreement. If the renewal fee is not paid within 30 days after the expiration of the current term of the EID Agreement, the EID Agreement will be canceled. An EID may elect to utilize the Automatic Renewal Program ("ARP"). Under the ARP, the renewal fee is automatically charged to the EID's credit card or checking account prior to the anniversary date of the Agreement. EID not participating in the ARP may renew by paying the annual subscription fee with a check or money order.

**SECTION 3 – OPERATING THE EXFUZE BUSINESS****3.1 — Adherence to the Company Marketing and Compensation Plan**

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

**3.2 — Advertising****3.2.1 — In General**

All EID's shall safeguard and promote the good reputation of eXfuze and its products. The marketing and promotion of eXfuze, the eXfuze opportunity, the eXfuze Marketing and Compensation Plan, and eXfuze products 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 the tremendous business opportunity eXfuze offers, EID's should use the sales aids and support materials produced by eXfuze. The rationale behind this requirement is simple. eXfuze has carefully designed its products, product labels, Marketing and Compensation Plan, and promotional materials to ensure that each aspect of eXfuze is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal, state, and provincial laws. Were eXfuze EIDs allowed to develop their own sales aids and promotional materials (which includes Internet advertising), notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any number of statutes or regulations affecting an eXfuze business is almost certain. These violations, although they may be relatively few-in-number, would jeopardize the eXfuze business opportunity for all EID's. Accordingly, EID's must submit all written sales aids, promotional materials, advertisements, and other literature (including proposed Internet advertising) to the Company for approval. Unless the EID receives specific written approval to use the material, the request shall be deemed denied. EID's may not sell eXfuze products on eBay or any other Internet auction site.

**3.2.2 — Spamming and Unsolicited Faxes**

Except as provided in this section, EIDs may not use or transmit unsolicited faxes, mass e-mail distribution, unsolicited e-mail, or "spamming" relative to the operation of their eXfuze businesses. The terms "unsolicited faxes" and "unsolicited e-mail" mean the transmission via telephone facsimile or electronic mail, respectively, of any material or information advertising or promoting eXfuze, its products, its compensation plan or any other aspect of the Company which is transmitted to any person, except that these terms do not include a fax or e-mail: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the EID has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two way communication between an EID and a person, on the basis of: (a) an inquiry, application, purchase or

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transaction by the person regarding products offered by such EID; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

**How We Define Spam?** We define spam as the sending of Unsolicited Commercial Email, Unsolicited Bulk Email, or Unsolicited Facsimiles, which is email or facsimile sent to recipients as an advertisement or otherwise, without first obtaining prior confirmed consent to receive these communications from the sender. This can include, but is not limited to, the following:

1. Email Messages
2. Newsgroup postings
3. Windows system messages
4. Pop-up messages (aka "adware" or "spyware" messages)
5. Instant messages (using AOL, MSN, Yahoo or other instant messenger programs)
6. Online chat room advertisements
7. Guestbook or Website Forum postings
8. Facsimile Solicitations
9. Facebook
10. MySpace
11. Twitter

Any Independent Distributor found in violation of this rule risks suspension or termination of their Independent Distributorship. Please be advised that any legal or monetary fines imposed upon eXfuze LLC, based upon your actions, will be your responsibility and not the responsibility of eXfuze.

### 3.2.3 — Telemarketing

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. While you may not consider yourself a "telemarketer" in the traditional sense of the word, these regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "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 \$11,000.00 per violation).

Therefore, EID's must not engage in telemarketing relative to the operation of their eXfuze businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of an eXfuze product or service, or to recruit them for the eXfuze opportunity. "Cold calls" made to prospective customers or EID's that promote either eXfuze's products or services or the eXfuze opportunity constitute telemarketing and are prohibited.

Notwithstanding the foregoing, an EID may place telephone call(s) to a prospective customer or EID (a "prospect") under the following limited situations:

- a. If the EID has an established business relationship with the prospect. An "established business relationship" is a relationship between an EID and a prospect based on the prospect's purchase, rental, or lease of goods or services from the EID, or a financial transaction between the prospect and the EID, within the eighteen (18) months immediately preceding the date of a 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 EID, within the three (3) months immediately preceding the date of such a call.

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- c. If the EID receives written and signed permission from the prospect authorizing the EID to call. The authorization must specify the telephone number(s) which the EID is authorized to call.
- d. EID's may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom an EID has at least a recent first-hand relationship (i.e., the EID recently personally met him or her). Bear in mind, however, that if an EID makes a habit of "card collecting" everyone he or she meets and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if EID's engage in calling "acquaintances," the EID must make such calls on an occasional basis only and not as a routine practice.

In addition, EID's shall not use automatic telephone dialing systems relative to the operation of their eXfuze 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.

### **3.2.4 — EID Web Sites**

If an EID 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. Alternatively, EID's may develop their own website, however, any EID who does so: (a) must use the text of the Company's official website; and (b) may not supplement the content of his or her website with text from any source other than the Company. EID's who develop or publish their own websites must register their site(s) with the Company and receive written approval from the Company prior to the site(s) public availability. The use of any other website or web page, or the failure to register a non-eXfuze replicated website constitutes a material breach of these policies and procedures.

### **3.2.5 — Domain Names and E-Mail Addresses**

EID's may not use or attempt to register any of eXfuze's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name. Nor may EID's incorporate or attempt to incorporate any of eXfuze's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, into any electronic mail address.

### **3.2.6 — Trademarks and Copyrights**

eXfuze will not allow the use of its trade names, trademarks, designs, or symbols by any person, including an eXfuze EID. EID's may not produce for sale or distribution any recorded Company events and speeches, nor may EID's reproduce for sale or for personal use any recording of Company produced audio or video tape presentations.

- a. EID's may not use any of the Company's current or after acquired trademarks or any confusingly similar variations of its marks, in a manner that is likely to cause confusion, mistake, or deception as to the source of the Products or services advertised.
- b. The EID agrees to immediately re-assign to the Company any registration of the Company names, trade names, trademarks, or Internet domain names registered or reserved in violation of this policy. The provisions of this Section survive the termination of the Contract.
- c. The Company, in its sole discretion, will determine whether a variation of its trademark is confusingly similar.
- d. Distributors shall not use the Company's marks in countries where the use of such marks is prohibited.
- e. A Distributor must not use the name, logos, trademarks or other references to the Company's business or manufacturing partners in any Sales Tool, correspondence, or any form of advertising. You can use only the "eXfuze Independent Distributor" logo. You may not reproduce the "eXfuze LLC" logo.

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- f. You may not use the Company name, logo, trademarks and/or names of Company products in any EID-produced advertisements or materials.
- g. The Company's literature and media are copyrighted by the Company and may not be duplicated.
- h. You may not use the name eXfuze or any of its trademarks as a part of your business, Corporation, Internet name, metatags source and search code, or e-mail address.
- i. You may not use the names or images of Company employees, executives, consultants, athletes, celebrities and/or organizations who endorse the Company, except as specifically written in current Company-approved materials or except as permitted in writing by eXfuze.

**3.2.7 — Media and Media Inquiries**

EID's must not attempt to respond to media inquiries regarding eXfuze, its products, or their independent eXfuze business. All inquiries by any type of media must be immediately referred to eXfuze's Compliance Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

**3.2.8 — EID Release**

By entering into the EID Agreement, EID authorizes eXfuze to use his or her name and/or likeness in advertising or promotional materials and waives all claims for enumeration for such use.

**3.3 — Bonus Buying**

"Bonus buying" includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an EID Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an EID; (c) the enrollment or attempted enrollment of non-existent individuals or entities as EID's ("phantoms"); or (d) the use of a credit card by or on behalf of an EID or customer when the EID or customer is not the account holder of such credit card. Bonus buying constitutes a material breach of these Policies and Procedures, and is strictly and absolutely prohibited.

**3.4 — Business Entities**

A corporation, limited liability Company, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a eXfuze EID by submitting its Certificate of Incorporation, Articles of Organization, Partnership Agreement or trust documents (these documents are collectively referred to as the "Entity Documents") to eXfuze, along with a properly completed Business Entity Registration form. If an EID enrolls online, the Entity Documents and Business Entity Registration Form must be submitted to eXfuze within 30 days of the online enrollment (If not received within the 30-day period, the EID Agreement shall automatically terminate). An eXfuze business may change its status under the same Enroller from an individual to a partnership, corporation or trust or from one type of entity to another. There is a \$50.00 fee for each change requested, which must be included with the written request and the completed EID Application and Agreement. The Business Entity Registration form must be signed by all of the shareholders, members, partners or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to eXfuze.

**3.5 — Changes to the eXfuze Business****3.5.1 — In General**

Each EID must immediately notify Company of all changes to the information contained on his or her EID Application and Agreement. EID's may modify their existing EID Agreement (i.e., change Social Security number to Federal I.D. number, or change the form of ownership from an individual proprietorship to a business entity owned by the EID) by submitting a written request, a properly executed EID Application and Agreement, and appropriate supporting documentation. Changes shall be processed only once per year. All changes must be submitted by November 30 to become effective on

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January 1 of the following year.

**3.5.2 — Addition of Co-Applicants**

When adding a co-applicant (either an individual or a business entity) to an existing eXfuze business, the Company requires a written request as well as a properly completed EID Application and Agreement containing the applicant and co-applicant's Social Security Numbers and signatures. To prevent the circumvention of Section 3.24 (regarding transfers and assignments of eXfuze business), the original applicant must remain as a party to the original EID Application and Agreement. If the original EID 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 3.24. If this process is not followed, the business shall be canceled upon the withdrawal of the original EID. All bonus and commission checks will be sent to the address of record of the original EID. Please note that the modifications permitted within the scope of this paragraph do not include a change of Enroller. Changes of Enroller are addressed in Section 3.5.3, below. There is a fee for each change requested, which must be included with the written request and the completed EID Application and Agreement. eXfuze may, at its discretion, require notarized documents before implementing any changes to an eXfuze business. Please allow thirty (30) days after the receipt of the request by Company for processing.

**3.5.3 — Change of Enroller and Binary Placement**

To protect the integrity of all marketing organizations and safeguard the hard work of all EID's, eXfuze strongly discourages changes of Enroller and Binary Placement. Maintaining the integrity of enrollment is critical for the success of every EID and marketing organization. Accordingly, the transfer of an eXfuze business from one Enroller to another is rarely permitted.

**Enroller Changes**

Requests for change of Enroller must be submitted in writing to the Compliance Department, and must include the reason for the transfer. Transfers will only be considered in the following two (2) circumstances:

- a. In cases involving fraudulent inducement, unethical recruiting and enrolling.
- b. Extreme lack of upline support, an EID may request that he or she be transferred to another Enroller. All requests for transfer alleging fraudulent enrollment practices shall be evaluated on a case by case basis.

The EID seeking to transfer submits a properly completed and fully executed Enroller Transfer Form which includes the written approval of his or her immediate four (4) upline EID's. Photocopied or facsimile signatures are not acceptable. All EID signatures must be notarized. The EID who requests the transfer must submit a fee of \$100.00 for administrative charges and data processing. EID's must allow thirty (30) days after the receipt of the Enroller Transfer Forms by Company for processing and verifying change requests.

**Enroller Change Guidelines - Due to Error**

- a. \$100 fee will be charged for each request, to cover, processing and testing for each individual who is changed.
- b. No changes allowed after Tuesday noon central time each week prior to BUSINESS CLOSE.

**Within 24 Hours of Enrollment**

1. SUBMIT a HELPDESK Ticket through Virtual Office (This is REQUIRED).
2. TICKET CONTENTS must include ID and Name of EID to have sponsor change as well as the Current and New Sponsors ID and Name.

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**Within Six (6) days of Enrollment**

1. SUBMIT a HELPDESK Ticket through Virtual Office (This is REQUIRED).
2. TICKET CONTENTS must include ID and Name of EID to have sponsor change as well as the Current and New Sponsors ID and Name.
3. COMPLETE supporting documents and forms per instructions in the Help Desk Ticket Reply to your inquiry.
4. PROVIDE Payment information for processing fee of \$100 with supporting documentation and forms.

**Binary Placement Change Guidelines - Due to Error**

- a. \$100 fee will be charged for each request, to cover, processing and testing for each individual who is changed.
- b. No changes allowed after Tuesday noon central time each week prior to BUSINESS CLOSE.

**Within 24 Hours of Enrollment**

1. SUBMIT a HELPDESK Ticket through Virtual Office (This is REQUIRED).
2. TICKET CONTENTS must include ID and Name of EID to have placement change as well as the Current and New Placement ID and Name as well as whether the placement is Left or Right leg of the Placement.

**Within Six (6) days of Enrollment**

1. SUBMIT a HELPDESK Ticket through Virtual Office (This is REQUIRED).
2. TICKET CONTENTS must include ID and Name of EID to have placement change as well as the Current and New Placement ID and Name as well as whether the placement is Left or Right leg of the Placement.
3. COMPLETE supporting documents and forms per instructions in the Help Desk Ticket Reply to your inquiry.
4. PROVIDE Payment information for processing fee of \$100 with supporting documentation and forms.

**3.5.4 — Cancellation and Re-application**

An EID may legitimately change organizations by voluntarily canceling his or her eXfuze business and remaining inactive (i.e., no purchases of eXfuze products for resale, no sales of eXfuze products, no enrolling, no attendance at any Company functions, participation in any other form of EID activity, or operation of any other eXfuze business) for six (6) full calendar months. Following the six month period of inactivity, the former EID may reapply under a new Enroller. eXfuze will consider waiving the six month waiting period under exceptional circumstances. Such requests for waiver must be submitted to eXfuze in writing.

**3.6 — Unauthorized Claims and Actions**

**3.6.1 — Indemnification**

An EID is fully responsible for all of his or her verbal and written statements made regarding eXfuze products, services, and the Marketing and Compensation Plan which are not expressly contained in official eXfuze materials. EID's agree to indemnify eXfuze and eXfuze 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 eXfuze as a result of the EID's unauthorized representations or actions. This provision shall survive the termination of the EID Agreement.

**3.6.2 — Product Claims**

No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by eXfuze may be made except those contained in official eXfuze literature. In particular, no EID may make any claim that eXfuze products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only are such claims violative of eXfuze policies, but they

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potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

### **3.6.3 — Income Claims**

In their enthusiasm to enroll prospective EID's, some EID's are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new EID's may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At eXfuze, we firmly believe that the eXfuze income potential is great enough to be highly attractive, without reporting the earnings of others.

Moreover, the Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While EID's may believe it beneficial to provide copies of checks, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact eXfuze as well as the EID making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation.

Because eXfuze EID's do not have the data necessary to comply with the legal requirements for making income claims, an EID, when presenting or discussing the eXfuze opportunity or Marketing and Compensation Plan to a prospective EID, may not make income projections, income claims, or disclose his or her eXfuze income (including the showing of checks, copies of checks, bank statements, or tax records). Hypothetical income examples that are used to explain the operation of the Marketing and Compensation Plan, and which are based solely on mathematical projections, may be made to prospective EID's, so long as the EID who uses such hypothetical examples 1) makes clear to the prospective EID(s) that such earnings are hypothetical; and 2) provides each prospective EID with a current copy of eXfuze's official income disclosure statement.

### **3.7 — Commercial Outlets and Sales**

#### **3.7.1 — Commercial/Retail Outlets**

EID's may display and sell eXfuze products and eXfuze literature at privately owned retail and service outlets. In no event may such products or literature be sold or displayed at national chain stores or mass merchandisers. If an EID needs clarification regarding this policy, he or she should contact the eXfuze Compliance Department.

#### **3.7.2 — Commercial Sales**

eXfuze will permit EID's to solicit and make commercial sales upon prior written approval from the Company. For the purposes of these Policies and Procedures, the term "commercial sale" means the sale of:

- a. eXfuze products that equal or exceed \$3,000.00 or more in a single order; and
- b. To a third party who intends to resell the products to an end consumer.

#### **3.7.3 — Trade Shows, Expositions and Other Sales Forums**

EID's may display and/or sell eXfuze products at trade shows and professional expositions. Before submitting a deposit to the event promoter, EID's must contact the Compliance Department in writing for conditional approval, as eXfuze's policy is to authorize only one eXfuze business per event. Final approval will be granted to the first EID who submits an official advertisement of the event, a copy of the contract signed by both the EID and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Compliance Department. eXfuze 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 or the eXfuze opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image eXfuze wishes to portray.

### **3.8 — Conflicts of Interest**

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**3.8.1 — Non-solicitation**

eXfuze EID's are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"). However, during the term of this Agreement, EID's may not recruit other eXfuze EID's for any other network marketing business. Following the cancellation of this Agreement, and for a period of six months thereafter, a former EID may not recruit any eXfuze EID for another network marketing business if: 1) that EID was in the former EID's downline marketing organization; or 2) the former EID met, developed a relationship with, or gained knowledge of the EID by virtue of their mutual participation in eXfuze. The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly or through a third party, another eXfuze EID or customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the EID's actions are in response to an inquiry made by another EID. EID's must not sell, or attempt to sell, any competing non-eXfuze products or services to eXfuze EID's. Any product or services in the same generic category as an eXfuze product or service is deemed to be competing (e.g., any dietary supplement is in the same generic category as eXfuze's Seven+, and is therefore a competing product, regardless of differences in cost, quality, ingredients or nutrient content.).

EID's may not display eXfuze products or services with any other products or services in a fashion that might in any way confuse or mislead a prospective customer or EID into believing there is a relationship between the eXfuze and non-eXfuze products or services. EIDs may not offer the eXfuze opportunity, products or services to prospective or existing customers, affiliates or EID's in conjunction with any non-eXfuze program, opportunity, product or service. EID's may not offer any non-eXfuze opportunity, products or services at any eXfuze-related meeting, seminar or convention, or immediately following such event.

**3.8.2 — Downline Activity Reports**

Downline Activity Reports are available for EID access and viewing at eXfuze's official web site and through the back office of EID's replicated web sites. Access to online 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 belonging to eXfuze. Downline Activity Reports are provided to EID's in strictest confidence and are made available to EID's for the sole purpose of assisting EID's in working with their respective Downline Organizations in the development of their eXfuze business. EID's should use their Downline Activity Reports to assist, motivate, and train their downline EID's. The EID and eXfuze agree that, but for this agreement of confidentiality and nondisclosure, eXfuze would not provide Downline Activity Reports to the EID. An EID shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- a. Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- b. Directly or indirectly disclose his or her password or other user access code to his or her Downline Activity Report;
- c. Use the information to compete with eXfuze or for any purpose other than promoting his or her eXfuze business;
- d. Recruit or solicit any EID listed on any report, or in any manner attempt to influence or induce any EID, to alter their business relationship with eXfuze; or
- e. Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Downline Activity Report.

**3.9 — Cross-Enrolling**

Actual or attempted cross enrolling is strictly prohibited. "Cross enrolling" is defined as the enrollment of an individual who or entity that already has a current EID Agreement on file with eXfuze, or who has had such an agreement within the preceding six calendar months, within a different line of enrollment. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy is prohibited. EID's shall not demean, discredit or defame other eXfuze EID's in an attempt to

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entice another EID to become part of the first EID's marketing organization. This policy shall not prohibit the transfer of an eXfuze business in accordance with Section 3.24.

**3.9.1 — Cross-Sponsoring of Spouse or Household Member**

Actual or You may not circumvent your original line of sponsorship by joining another downline organization or a different leg of your sponsor by sponsoring yourself, your spouse, dependent children, a household member ("related party") or any business or Company operating under a business name (DBA) in which you and/or a related party have a direct or indirect ownership interest. Husband, wife, DBA household members, partners and/or dependent children must all be in the same downline underneath the first position owned. It is permissible to be in separate legs provided they are under the first position owned.

Violations of this Policy will result in the termination of the cross-sponsored account, and you will be instructed to work exclusively in the original position. Neither the cross sponsored position nor the downline organization will be moved. If the Sponsor or Enroller is found to have knowingly or willingly encouraged the cross-sponsoring, the Sponsor/Enroller will be subject to further disciplinary action in accordance with the Compliance Disciplinary Procedure. You may not participate as a partner, consultant or employee of another Associate position until after six full business periods in the event this policy is violated.

**3.10 — Errors or Questions**

If an EID has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the EID must notify eXfuze in writing within 60 days of the date of the purported error or incident in question. eXfuze will not be responsible for any errors, omissions or problems not reported to it within 60 days.

**3.11 — Excess Inventory Purchases Prohibited**

EID's are not required to carry inventory of products or sales aids. EID's who do so may find making retail sales and building a marketing organization somewhat easier because of the decreased response time in fulfilling customer orders or in meeting a new EID's needs. Each EID must make his or her own decision with regard to these matters. To ensure that EID's are not encumbered with excess inventory that they are unable to sell, such inventory may be returned to eXfuze upon the EID's cancellation pursuant to the terms of Section 7.2.

eXfuze strictly prohibits the purchase of products in unreasonable amounts primarily for purposes of qualifying for commissions, bonuses or advancement in the Marketing and Compensation Plan. EID's may not purchase more product inventory than they can reasonably resell or consume in a month nor may they encourage others to do so. EIDs are prohibited from purchasing more than \$1,000.00 in products per month unless they certify to eXfuze that they have pending retail orders in excess of that amount or provide eXfuze with other written reason why such a purchase is necessary.

**3.12 — 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, EID's shall not represent or imply that eXfuze or its Marketing and Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

**3.13 — Holding Applications or Orders**

EID's must not manipulate enrollments of new applicants and purchases of products. All EID Applications and Agreements, and product orders must be sent to eXfuze within 72 hours from the time they are signed by an EID or placed by a customer, respectively.

**3.14 — Identification**

All EID's are required to provide their Social Security Number, Social Insurance Number, or a Federal Employer Identification Number to eXfuze on the EID Application and Agreement. Upon enrollment, the Company will provide a unique EID Identification Number to the EID by which he or she will be identified. This number will be used to place

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orders, and track commissions and bonuses.

**3.15 — Income Taxes**

Every year, eXfuze will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who falls into one of the following categories:

- a. Had earnings of over \$600 in the previous calendar year; or
- b. Made purchases during the previous calendar year in excess of \$5,000.

Each EID is responsible for paying local, state/provincial, and federal taxes on any income generated as an EID. If an eXfuze business is tax exempt, the Federal tax identification number must be provided to eXfuze.

**3.16 — Independent Contractor Status**

EIDs are independent contractors, and are not purchasers of a franchise or a business opportunity. The agreement between eXfuze and its EID's does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the EID. AN EID SHALL NOT BE TREATED AS AN EMPLOYEE FOR HIS OR HER SERVICES OR FOR FEDERAL OR STATE TAX PURPOSES. All EID's are responsible for paying local, state, and federal taxes due from all compensation earned as an EID of the Company. eXfuze is not responsible for withholding, and shall not withhold or deduct from an EID's bonuses and commissions, if any, FICA or taxes of any kind, unless withholding becomes legally required. The EID has no authority (expressed or implied), to bind the Company to any obligation. EIDs are not authorized to and will not incur any debt, expense, obligation, or open any checking account on behalf of, for, or in the name of eXfuze. Each EID agrees that he or she shall control the manner and means by which he or she operates his or her eXfuze business, and shall establish his or her own goals, hours, and methods of sale, subject to compliance with these Policies and Procedures and applicable law. Each EID shall be solely responsible for paying all expenses incurred, including but not limited to travel, food, lodging, secretarial, office, long distance telephone, and other expenses.

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

Independent Distributor's Name  
eXfuze Independent Distributor

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

**3.17 — Insurance**

**3.17.1 — Business Pursuits Coverage**

You may wish to arrange insurance coverage for your business. Neither your homeowner's insurance policy nor your automobile insurance policy covers business-related injuries, or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present homeowner's and automobile policies.

**3.17.2 — Product Liability Coverage**

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eXfuze maintains insurance to protect the Company and EID's against product liability claims. eXfuze's insurance policy contains a "Vendors Endorsement" which extends coverage to Independent EIDs so long as they are marketing eXfuze products in accordance with Company Policies and applicable laws and regulations. eXfuze's product liability policy does not extend coverage to claims or actions that arise as a result of an EID's misconduct in marketing the products.

### **3.18 — International Marketing**

Because of critical legal and tax considerations, including: compliance with foreign laws regarding the approval, registration or licensure of products or services; regulations regarding ingredients, labeling, and packaging; cautionary statements; protection of intellectual property; compliance with customs, tax, and immigration laws; compliance with direct selling laws; product and income representations; and literature content and language requirements, eXfuze must limit the resale of eXfuze products, and the presentation of the eXfuze business to prospective customers and EIDs located within countries that eXfuze has officially announced as being open for the promotion and sale of eXfuze products and the eXfuze opportunity. Moreover, allowing a few EIDs to conduct business in markets not yet opened by eXfuze would violate the concept of affording every EID the equal opportunity to expand internationally.

Accordingly, EIDs are authorized to sell eXfuze products, and enroll EIDs only in the countries in which eXfuze is authorized to conduct business, as announced in official Company literature. eXfuze products or sales aids cannot be shipped into or sold in any foreign country. EIDs may sell, give, transfer, or distribute eXfuze products or sales aids only in their home country. In addition, no EID may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential customers, affiliates or EIDs; or (c) conduct any other activity for the purpose of selling eXfuze products, establishing a marketing organization, or promoting the eXfuze opportunity.

Change of address from one country to another will require EID to:

1. SUBMIT a HELPDESK Ticket through Virtual Office (This is REQUIRED).
2. TICKET CONTENTS must include new address (Legal proof of address change, must be government issued).
3. COMPLETE supporting documents and forms per instructions in the Help Desk Ticket Reply to your inquiry.
4. PROVIDE Payment information for processing fee with supporting documentation and forms.

A \$50.00 fee will be charged for each request.

### **3.19 — Adherence to Laws and Ordinances**

#### **3.19.1 — Local Ordinances**

Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to EIDs because of the nature of their business. However, EIDs must obey those laws that do apply to them. If a city or county official tells an EID that an ordinance applies to him or her, the EID shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of eXfuze. In most cases there are exceptions to the ordinance that may apply to eXfuze EIDs.

#### **3.19.2 — Compliance with Federal, State, and Local Laws**

EIDs shall comply with all federal, state, and local laws and regulations in the conduct of their businesses.

### **3.20 — Minors**

A person who is recognized as a minor in his/her state of residence may not be an eXfuze EID. EIDs shall not enroll or recruit minors into the eXfuze program.

### **3.21 — One eXfuze Business per Individual and Per Entity**

An individual may operate or have an ownership interest, legal or equitable, in only one eXfuze business. That same individual may have an ownership interest, legal or equitable, in an additional eXfuze business only if the second eXfuze

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business is owned and operated by a partnership, corporation, LLC or trust. Except as specifically provided herein, no individual may have, operate or receive compensation from more than one eXfuze business.

**3.21.1 — Actions of Household Members or Affiliated Individuals**

If any member of an EID's immediate household engages in any activity which, if performed by the EID, would violate any provision of the Agreement, such activity will be deemed a violation by the EID and eXfuze may take disciplinary action pursuant to the Statement of Policies against the EID. 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 eXfuze may take disciplinary action against the entity.

**3.22 — Re-packaging and Re-labeling Prohibited**

EIDs may not re-package, re-label, refill or alter the labels on any eXfuze products, information, materials or programs in any way. eXfuze products must be sold in their original containers only. Such re-labeling or repackaging would likely violate federal and state laws, which could result in severe criminal penalties. You should also be aware that civil liability can arise when, as a consequence of the repackaging or re-labeling of products, the persons using the products suffer any type of injury or their property is damaged.

**3.23 — Requests for Records**

Any request from an EID for copies of invoices, applications, downline activity reports, or other records may require payment of 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.

**3.24 — Sale, Transfer or Assignment of eXfuze Business**

An EID may not assign any rights or delegate any duties under the EID Agreement without the prior written consent of eXfuze. Any attempt to transfer or assign an eXfuze business without the express written consent of eXfuze will render the EID Agreement voidable at the option of eXfuze. Therefore, although an eXfuze business is a privately owned, independently operated business, the sale, transfer or assignment of an eXfuze business is subject to certain limitations. If an EID wishes to sell his or her eXfuze business, he or she must receive written authorization from the Company. In order to sell, transfer or assign an eXfuze business, the following criteria must be met:

- a. Protection of the existing line of enrollment must always be maintained so that the eXfuze business continues to be operated in that line of enrollment.
- b. The buyer or transferee must be (or must become) a qualified eXfuze EID. If the buyer is an active eXfuze EID, he or she may be required to terminate his or her eXfuze business simultaneously with the purchase, transfer, assignment or acquisition of any interest in the new eXfuze business. The purchaser will be required to terminate an existing eXfuze business or form a business entity if the purchase of the subject business will result in a violation of Section 3.21 above.
- c. Before the sale, transfer or assignment can be finalized and approved by eXfuze, any debt obligations the selling EID has with eXfuze must be satisfied.
- d. The selling EID 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 an eXfuze business.
- e. The new ownership of an EID will be responsible for all income earned in the calendar year that the transfer of ownership is executed. The new owner of the an EID must understand that the new owner will be responsible for the taxes earned on that eXfuze Independent Distributorship, including but not limited to all bonuses and commissions generated in the calendar year and will be 1099 income and will be reported as such in the name on record of ownership as of December 31 end of year.

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Prior to selling an eXfuze business, the selling EID must notify the Compliance Department of his or her intent to sell the eXfuze business. No changes in line of enrollment can result from the sale or transfer of an eXfuze business. A properly executed Transfer of Ownership form must be completed and notarized and submitted with a \$50 administrative fee at time of application of transfer to eXfuze Compliance Department.

**3.25 — Separation of an eXfuze Business**

eXfuze EIDs sometimes operate their eXfuze 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 enrollment. If the separating parties fail to provide for the best interests of other EIDs and the Company, eXfuze will involuntarily terminate the EID Agreement.

During the pendency of a divorce or entity dissolution, 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 eXfuze business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize eXfuze to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
- b. The parties may continue to operate the eXfuze business jointly on a “business-as-usual” basis, whereupon all compensation paid by eXfuze will be paid in the joint names of the EIDs or in the name of the entity to be divided as the parties may independently agree between themselves.

Under no circumstances will the Downline Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will eXfuze split commission and bonus checks between divorcing spouses or members of dissolving entities. eXfuze will recognize only one Downline Organization and will issue only one commission check per eXfuze business per commission cycle. Commission checks 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, the EID Agreement shall be involuntarily canceled.

If a former spouse or a former entity affiliate has completely relinquished all rights in their original eXfuze business, 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 3.5.4. In such case, however, the former spouse or partner shall have no rights to any EIDs in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new EID.

**3.26 — Enrolling**

All active EIDs in good standing have the right to recruit and enroll others into eXfuze. Each prospective EID has the ultimate right to choose his or her own Enroller. If two EIDs claim to be the Enroller of the same new EID, the Company shall regard the first application received by the Company as controlling.

**3.27 — Stacking**

The term “stacking” includes: (a) the failure to transmit to eXfuze, or the holding of an Independent EID Application and Agreement in excess of two business days after its execution; (b) the placement or manipulation of Independent EID Applications and Agreements for the purpose of maximizing compensation pursuant to eXfuze’s Marketing and Compensation Plan; or (c) providing financial assistance to new EIDs for the purpose of maximizing compensation pursuant to eXfuze’s Marketing and Compensation Plan. Stacking constitutes a material breach of these Policies and Procedures, and is strictly and absolutely prohibited.

**3.28 — Succession**

Upon the death or incapacitation of an EID, his or her business may be passed to his or her heirs. Appropriate legal

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documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, an EID should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever an eXfuze business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased EID's marketing organization provided the following qualifications are met. The successor(s) must:

- a. Execute a new EID Agreement;
- b. Comply with terms and provisions of the Agreement; and
- c. Meet all of the qualifications for the deceased EID's status.

Bonus and commission checks of an eXfuze business transferred pursuant to this section will be paid in a single check jointly to the devisees. The devisees must provide eXfuze with an "address of record" to which all bonus and commission checks will be sent. If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer Identification number. eXfuze will issue all bonus and commission checks and one IRS Form 1099 to the business entity.

### **3.28.1 — Transfer Upon Death of an EID**

To effect a testamentary transfer of an eXfuze business, the successor must provide the following to eXfuze: (1) an original death certificate; (2) a notarized copy of the will or other instrument establishing the successor's right to the eXfuze business; and (3) a completed and executed EID Agreement.

### **3.28.2 — Transfer Upon Incapacitation of an EID**

To affect a transfer of an eXfuze business because of incapacity, the successor must provide the following to eXfuze: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the eXfuze business; and (3) a completed EID Agreement executed by the trustee.

## **RESPONSIBILITIES OF EIDS**

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### **4.1 — Change of Address or Telephone**

To ensure timely delivery of products, support materials, and commission checks, it is critically important that eXfuze's files are current. Street addresses are required for shipping. EIDs planning to move should send their new address and telephone numbers to eXfuze's Corporate Offices to the attention of the eXfuze Customer Service Department. To guarantee proper delivery, two weeks advance notice must be provided to eXfuze on all changes. Special Note: If you are presently on the Auto-Ship program, you must submit a new Auto-Ship Agreement. If more than one change of address notice or Auto-Ship Agreement has been submitted to eXfuze, the most recent one will supersede previous notices or Agreements. Please allow thirty (30) days after the receipt of the notice or Agreement by eXfuze for processing.

### **4.2 — Continuing Development Obligations**

#### **4.2.1 — Ongoing Training**

Any EID who enrolls another EID into eXfuze must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her eXfuze business. EIDs must have ongoing contact and communication with the EIDs in their Downline 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 downline EIDs to eXfuze meetings, training sessions, and other functions. Upline EIDs are also responsible to motivate and train new EIDs in eXfuze product knowledge, effective sales techniques, the eXfuze Marketing and Compensation Plan, and compliance with Company Policies and Procedures. Communication with and

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the training of downline EIDs must not, however, violate Section 3.2 (regarding the development of EID-produced sales aids and promotional materials).

EIDs must monitor the EIDs in their Downline Organizations to ensure that downline EIDs do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every EID should be able to provide documented evidence to eXfuze of his or her ongoing fulfillment of the responsibilities of an Enroller.

#### **4.2.2 — Increased Training Responsibilities**

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

#### **4.2.3 — Ongoing Sales Responsibilities**

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

#### **4.3 — Non-disparagement**

eXfuze wants to provide its independent EIDs with the best products, compensation plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Customer Service Department. Remember, to best serve you, we must hear from you! While eXfuze welcomes constructive input, negative comments and remarks made in the field by EIDs about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other eXfuze EIDs. For this reason, and to set the proper example for their downline, EIDs must not disparage eXfuze, other eXfuze EIDs, eXfuze's products, the Marketing and Compensation plan, or eXfuze's directors, officers, or employees. The disparagement of eXfuze, other eXfuze EIDs, eXfuze's products, the Marketing and Compensation plan, or eXfuze's directors, officers, or employees constitutes a material breach of these Policies and Procedures.

#### **4.4 — Providing Documentation to Applicants**

EIDs must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are enrolling to become EIDs before the applicant signs an EID Agreement. Additional copies of Policies and Procedures can be acquired from eXfuze.

#### **4.5 — Reporting Policy Violations**

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

### **SALES REQUIREMENTS**

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#### **5.2 — No Price or Territory Restrictions**

The eXfuze Marketing and Compensation Plan is based upon the sale of eXfuze products to end consumers. EIDs must fulfill personal and Downline Organization retail 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 EIDs to be eligible for commissions:

- a. EIDs must satisfy the Personal Sales Volume requirements associated with their rank as specified in the eXfuze Marketing and Compensation Plan. "Personal Sales Volume" includes purchases made by the EID and purchases made by the EID's customers and affiliates.

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- b. EID's are expected to resell 70% of all products purchased from eXfuze. All retail sales should be carefully documented. Blank retail sales receipts are available for purchase to help facilitate this process. All EID's should remit all necessary sales tax as deemed by their state of residence. A EID may not retail any eXfuze product for less than the wholesale price. eXfuze will randomly audit EIDs for retail sales in compliance with the 70% requirement. By reordering, an EID certifies that he or she has complied with this policy.
- c. EIDs must develop or service at least five customers every month. These customers can be personal retail customers or online customers.

### 5.3 — Sales Receipts

All EIDs must provide their retail customers with two copies of an official eXfuze sales receipt at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee for eXfuze products, as well as any consumer protection rights afforded by federal or state law. EIDs must maintain all retail sales receipts for a period of two years and furnish them to eXfuze at the Company's request. Records documenting the purchases of EID's online customers will be maintained by eXfuze.

If a sale qualifies as a "door-to-door" sale, EIDs must ensure that the following information is contained on each sales receipt:

1. The date of the transaction;
2. The date (not earlier than the third business day following the date of the transaction) by which the buyer may give notice of cancellation; and
3. Name and address of the selling EID;

Remember that customers must receive two copies of the sales receipt. In addition, EIDs who make "door-to-door" sales must orally inform the buyer of his or her cancellation rights.

For the purposes of these Policies and Procedures, a "door-to-door" sale means a sale, or contract for sale, of consumer goods or services with a purchase price of \$25 or more, in which the buyer's agreement or offer to purchase is made at a place other than the place of business of the seller (e.g., sales at the buyer's residence or at facilities rented on a temporary or short-term basis, such as hotel or motel rooms, convention centers, fairgrounds and restaurants, or sales at the buyer's workplace). The phrase "consumer goods or services" is defined as "goods or services purchased, leased, or rented primarily for personal, family, or household purposes, including courses of instruction or training regardless of the purpose for which they are taken." Thus, whether a transaction involves "consumer goods or services" will depend upon the ultimate purposes of the purchaser.

"Door-to-door" sales do not include a transaction:

- a. Made pursuant to prior negotiations in the course of a visit by the buyer to a retail business establishment having a fixed permanent location where the products are exhibited for sale on a continuing basis; or
- b. Conducted and consummated entirely by mail or telephone, and without any other contact between the buyer and the seller or its representative prior to delivery of the products or performance of the services.

## SECTION 6 – BONUSES AND COMMISSIONS

### 6.1 — Bonus and Commission Qualifications

An EID must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as an EID

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complies with the terms of the Agreement, eXfuze shall pay commissions to such EID in accordance with the Marketing and Compensation plan. The minimum amount for which eXfuze will issue a check is \$30.00. If an EID's bonuses and commissions do not equal or exceed \$30.00, the Company will accrue the commissions and bonuses until they total \$30.00. A check will be issued once \$30.00 has been accrued.

**6.2 — Adjustment to Bonuses and Commissions**

**6.2.1 — Adjustments for Returned Products**

EIDs receive bonuses and commissions based on the actual sales of products to end consumers. When a product is returned to eXfuze for a refund or is repurchased by the Company, the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the EIDs who received bonuses and commissions on the sales of the refunded products. In the event that any such EID terminates his or her EID Agreement, and the amounts of the bonuses or commissions attributable to the returned products have not yet been fully recovered by the Company, the remainder of the outstanding balance may be set off against any amounts owed to the terminated EID pursuant to Section 7.2.

**6.2.2 — Other Deductions**

eXfuze will deduct from all bonus and commission checks a check processing fee of \$2.95. eXfuze LLC reserves the right, in its sole discretion to promote any EID to a rank above that which they are currently qualified for.

**6.3 — Unclaimed Commissions and Credits**

EIDs must deposit or cash commission and bonus checks within 90 days from their date of issuance. A check that remains uncashed after 90 days will be void. After a check has been voided, eXfuze will attempt to notify an EID 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 EID can request that the check be reissued. There shall be a \$35.00 charge for reissuing a check, and a \$10.00 fee for each notice that is sent to the EID. These charges shall be deducted from the balance owed to the EID.

Customers, Affiliates and EIDs who have a credit on account must use their credit within six months from the date on which the credit was issued. If credits have not been used within six months, eXfuze shall attempt to notify the EID or customer on a monthly basis, by sending written notice to the last known address, advising EID, customer or affiliate of the credit. There shall be a \$10.00 charge for each attempted notification. This charge shall be deducted from the EID's, customer's or affiliate's credit on account.

**6.4 — Online and Telephonic Activity Reports**

All information provided by eXfuze in online or telephonic downline activity reports, including but not limited to personal and group sales volume (or any part thereof), downline enrollment activity, and accrued bonuses and commissions is believed to be accurate and reliable. Nevertheless, due to various factors including 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 eXfuze or any persons creating or transmitting the information.

ALL VOLUME INFORMATION (E.G., PSV) 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 MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, EXFUZE AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY EID OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM

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INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF EXFUZE 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, EXFUZE 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 eXfuze's online and telephone activity reporting services and the information obtained thereby 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 eXfuze's online and telephone activity reporting services.

**SECTION 7 – PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE**

**7.1 — Product Guarantee**

eXfuze offers a 100% 30-day money-back satisfaction guarantee (less shipping charges) to all customers. Throughout the product guarantees, returns and inventory repurchase, it should be understood that any state or governmental required refund policy differing from this will, of course, be honored and any and all are specifically adopted and included herein the same as if written herein. In addition, if any jurisdiction has any rule or law inconsistent with any of these provisions in this instrument said provisions are adopted in lieu of those expressed herein, if any.

**7.1.1 — Returns by Retail Customers**

eXfuze offers, through its EIDs, a 100% 30-day money-back guarantee to all retail customers. Every EID is bound to honor the retail customer guarantee. If, for any reason, a retail customer is dissatisfied with any eXfuze product, the retail customer may return the unused portion of the product to the EID from whom it was purchased, within thirty (30) days, for a replacement, exchange or a full refund of the purchase price (less shipping costs). (see Refund Policy appendix B)

**7.1.2 — Retail Customer 3 Day Cancellation Right**

In addition, a retail customer who makes a purchase of \$25.00 or more has three business days (72 hours) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the order form. When an EID makes a sale or takes an order from a retail customer who cancels or requests a refund within the 72 hour period, the EID must promptly refund the customer's money as long as the products are returned to the EID in substantially as good condition as when received. Additionally, EIDs must orally inform 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. All retail customers must be provided with two copies of an official eXfuze sales receipt at the time of the sale. The back of the receipt provides the customer with written notice of his or her rights to cancel the sales agreement.

**7.1.3 — Returns by Online Customers**

eXfuze offers online customers an unconditional 30-day money-back guarantee. If, for any reason, an online customer is dissatisfied with any eXfuze product, he or she may return that product to the Company within thirty (30) days, for a replacement, exchange or a full refund of the purchase price (less shipping). (see Refund Policy appendix B)

**7.1.4 — Returns by EIDs (Products Returned by Personal Retail Customers)**

If a personal retail customer returns a product to the EID from whom it was purchased, the EID may return it to the Company for an exchange or refund (less shipping). All products returned by personal retail customers must be returned to the Company within 10 days from the date on which it was returned to the EID along with the sales receipt which the EID gave to the customer. (see Refund Policy appendix B)

**7.2 — Return of Inventory and Sales Aids by EIDs** Unless otherwise stated by eXfuze LLC for a specific country or region, eXfuze has a 100% money-back guarantee on all initial or first purchase orders if they are returned within ninety (90) days of purchase in compliance with the RMA guidelines. eXfuze also offers a 90% money-back return on all

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unopened, unused, and undamaged products from all subsequent orders, only unopened original boxes will be accepted if they are returned within ninety (90) days of purchase and providing that the 70% rule from Section 5.2 b has been followed.

Upon receipt of the products and sales aids, the EID will be reimbursed the cost of the product purchase less shipping charges, bonuses, taxes and commissions paid. If the purchases were made through a credit card, the refund will be credited back to the same account. An EID's request of a refund will be notice to eXfuze LLC as a cancellation of that EID's distributorship.

This refund policy is subject to exception in any state where applicable law dictates refunds based on criteria other than indicated in this policy

### **7.2.1 — Montana Residents**

A Montana resident may cancel his or her EID Agreement within 15 days from the date of enrollment for a full refund of any replicated web site subscription fees.

### **7.3 — Procedures for All Returns**

The following procedures apply to all returns for refund, repurchase, or exchange:

- a. All merchandise must be returned by the EID or customer who purchased it directly from eXfuze.
- b. All products to be returned must have a Return Authorization Number which will be obtained by calling the Customer Service Department. This Return Authorization Number must be written on each carton returned.
- c. The return is accompanied by:
  1. A completed and signed Consumer Return Form;
  2. A copy of the original dated retail sales receipt; and
  3. The unused portion of the product in its original container.
- d. 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. All returns must be shipped to eXfuze with shipping pre-paid. Any "refused" shipments that are returned will have an additional shipping charge deducted from any credit that may be due as the return shipping charges are paid for by eXfuze. This deduction will be equal to the original shipping charge. eXfuze does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the EID. If returned product is not received by the Company's Distribution Center, it is the responsibility of the EID to trace the shipment.
- e. If an EID is returning merchandise to eXfuze that was returned to him or her by a personal retail customer, the product must be received by eXfuze within ten (10) days from the date on which the retail customer returned the merchandise to the EID, and must be accompanied by the sales receipt the EID gave to the customer at the time of the sale.

No refund or replacement of product will be made if the conditions of these rules are not met.

## **SECTION 8 – DISPUTE RESOLUTIONS AND DISCIPLINARY PROCEEDINGS**

### **8.1 — Disciplinary Sanctions**

Violation of the Agreement, these Policies and Procedures, or any illegal, fraudulent, deceptive or unethical business conduct by an EID, or EIDs taking any hostile or adverse action or position against or adverse to the Company including

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but not limited to filing suit or threatening to file suit or threatening to take legal action of any kind against the company may result, at eXfuze's discretion, in one or more of the following corrective measures:

- a. Issuance of a written warning or admonition;
- b. Requiring the EID to take immediate corrective measures;
- c. Imposition of a fine, which may be withheld from bonus and commission checks;
- d. Loss of rights to one or more bonus and commission checks;
- e. eXfuze may withhold from an EID all or part of the EID's bonuses and commissions during the period that eXfuze is investigating any conduct allegedly violative of the Agreement. If an EID's business is canceled for disciplinary reasons, the EID will not be entitled to recover any commissions withheld during the investigation period;
- f. Suspension of the individual's EID Agreement for one or more pay periods;
- g. Involuntary termination of the offender's EID Agreement;
- h. Any other measure expressly allowed within any provision of the Agreement or which eXfuze deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the EID's policy violation or contractual breach;
- i. In situations deemed appropriate by eXfuze, the Company may institute legal proceedings for monetary and/or equitable relief.

## **8.2 — Grievances and Complaints**

When an EID has a grievance or complaint with another EID regarding any practice or conduct in relationship to their respective eXfuze businesses, the complaining EID 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 Customer Service Department at the Company. The Customer Service Department will review the facts and attempt to resolve it.

## **8.3 — Arbitration**

Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. If an EID wishes to bring an action against eXfuze for any act or omission relating to or arising from this Agreement, such action must be brought within one year from the date of the alleged conduct giving rise to the cause of action. Failure to bring such action within one year shall bar all claims by EID against eXfuze for such act or omission. EID waives all claims that any other statute of limitation applies. EIDs waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in the City of Palm Beach Gardens, Florida, unless the laws of the state in which an EID resides expressly require the application of its laws, in which case the arbitration shall be held in the capital of that state. The parties shall be entitled to all discovery rights allowed under the Federal Rules of Civil Procedure. No other aspects of the Federal Rules of Civil Procedure shall be applicable to arbitration. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel which the American Arbitration Association provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to

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arbitrate shall survive any termination or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent eXfuze from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect eXfuze's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

**8.4 — Governing Law, Jurisdiction and Venue**

Jurisdiction and venue of any matter not subject to arbitration shall reside in Maricopa County, State of Arizona unless the laws of the state in which an EID resides expressly require the application of its laws, in which case that state's law shall govern all issues related to jurisdiction and venue. The Federal Arbitration Act shall govern all matters relating to arbitration. The laws of the State of Florida shall govern all other matters relating to or arising from the Agreement unless the laws of the state in which an EID resides expressly require the application of its laws.

**SECTION 9 – ORDERING**

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**9.1 — Purchasing eXfuze Products**

Each EID should purchase his or her products directly from eXfuze. If an EID purchases products from another EID or any other source, the purchasing EID will not receive the personal sales volume that is associated with that purchase.

**9.2 — General Order Policies**

On mail orders with invalid or incorrect payment, eXfuze will attempt to contact the EID by phone, and/or mail to try to obtain another payment. If these attempts are unsuccessful after five working days the order will be returned unprocessed. No C.O.D. orders will be accepted. eXfuze maintains no minimum order requirements. Orders for products and sales aids may be combined.

**9.3 — Shipping and Back Order Policy**

eXfuze will normally ship products within three (3) business days from the date on which it receives an order. eXfuze 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 eXfuze receives additional inventory. EIDs will be charged and given Personal Sales Volume on back ordered items unless notified on the invoice that the product has been discontinued. eXfuze will notify EIDs, customers and affiliates if items are back-ordered and are not expected to ship within 30 days from the date of the order. An estimated shipping date will also be provided. Back ordered items may be canceled upon a customer's, affiliate's or EID's request. Customers, Affiliates and EIDs may request a refund, credit on account, or replacement merchandise for canceled back orders. If a refund is requested, the EID's Personal Sales Volume will be decreased by the amount of the refund in the month in which the refund is issued.

**9.4 — Confirmation of Order**

An EID and/or recipient of an order must confirm that the product received matches the product listed on the shipping invoice, and is free of damage. Failure to notify eXfuze of any shipping discrepancy or damage within thirty days of shipment will cancel an EID's right to request a correction.

**SECTION 10 – PAYMENT AND SHIPPING**

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**10.1 — Deposits**

No monies should be paid to or accepted by an EID for a sale to a personal retail customer except at the time of product

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delivery. EIDs should not accept monies from retail customers to be held for deposit in anticipation of future deliveries.

**10.2 — Insufficient Funds**

It is the responsibility of each EID to ensure that there are sufficient funds or credit available in his or her account to cover the monthly Auto Ship order. eXfuze will not contact EIDs in regard to orders canceled due to insufficient funds or credit. This may result in an EID's failure to meet his or her Personal Sales Volume requirements for the month.

**10.3 — Returned Checks**

All checks returned by an EID's bank for insufficient funds will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the EID in addition to any direct charges assessed by eXfuze's bank. After receiving a returned check from a customer or an EID, all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to eXfuze by an EID for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.

**10.4 — Restrictions on Third Party Use of Credit Cards and Checking Account Access**

EIDs shall not permit other EIDs, affiliates or customers to use his or her credit card, or permit debits to their checking accounts, to enroll or to make purchases from the Company.

**10.5 — Sales Taxes**

As independent contractors, EIDs are responsible to collect and remit the appropriate sales tax on all products which they sell to their personal retail customers. You should consult with your local sales tax authority to ensure that the tax is properly remitted.

**SECTION 11 – INACTIVITY AND CANCELLATION**

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**11.1 — Termination through Inactivity**

An EID who does not place a product order within a (6) month period will be considered inactive and will be terminated by eXfuze. Once a position has been terminated it cannot be transferred or sold to another individual. An individual terminated for inactivity may become a distributor after 1 year under any sponsor they choose.

**11.2 — Effect of Cancellation**

So long as an EID remains active and complies with the terms of the EID Agreement and these Policies and Procedures, eXfuze shall pay commissions to such EID in accordance with the Marketing and Compensation Plan. An EID's bonuses and commissions constitute the entire consideration for the EID's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following an EID's non-renewal of his or her EID Agreement or voluntary or involuntary cancellation of his or her EID Agreement (all of these methods are collectively referred to as "cancellation"), the former EID 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 organization. An EID whose business is canceled will permanently lose all rights as an EID. This includes the right to sell eXfuze products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the EID's former downline sales organization. In the event of cancellation, EIDs agree to waive all rights they may have, including but not limited to property rights, to their former downline organization and to any bonuses, commissions, or other remuneration derived from the sales and other activities from his or her former downline organization.

The former EID shall not hold himself or herself out as an eXfuze EID and shall not have the right to sell eXfuze products or services. An EID whose EID Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an

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involuntary cancellation).

### **11.3 — Involuntary Cancellation**

An EID's violation of any of the terms of the Agreement, including any amendments that may be made by eXfuze in its sole discretion, may result in any of the sanctions listed in Section 8.1, including the involuntary cancellation of his or her EID Agreement. Cancellation shall be effective on the date on which written notice is mailed, return receipt requested, to the EID's last known address, or when the EID receives actual notice of cancellation, whichever occurs first.

eXfuze expressly reserves the right to terminate all EID Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of its products and services via direct selling.

### **11.4 — Voluntary Cancellation**

A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the EID's signature, printed name, address, EID I.D. Number and witnessed by a person the minimum age of 21 years.

#### **11.4.1 — Non-renewal**

An EID may also voluntarily cancel his or her EID Agreement by failing to renew the Agreement on its anniversary date.

## **SECTION 12 – DEFINITIONS**

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**Active EID** — An EID who satisfies the minimum Personal Sales Volume requirements, as set forth in the eXfuze Marketing and Compensation Plan, to ensure that he or she is eligible to receive bonuses and commissions.

**Active Rank** — The term "active rank" refers the current rank of an EID, as determined by the eXfuze Marketing and Compensation Plan, for any volume period. To be considered "active" relative to a particular rank, an EID must meet the criteria set forth in the eXfuze Marketing and Compensation Plan for his or her respective rank. (See the definition of "Rank" below.)

**Agreement** - The contract between the Company and each EID includes the EID Application and Agreement, the eXfuze Policies and Procedures, the eXfuze Marketing and Compensation Plan, and the Business Entity Form (where appropriate), all in their current form and as amended by eXfuze in its sole discretion. These documents are collectively referred to as the "Agreement."

**Business Center** — The term "business center" is defined in the eXfuze Marketing and Compensation Plan.

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

**Commissionable Products** — All eXfuze products on which commissions and bonuses are paid. EIDs replicated web sites and sales aids are not commissionable products.

**Company** — The term "Company" as it is used throughout the Agreement means eXfuze

**Downline** — See "Marketing Organization" below.

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**Downline Activity Report** — An online report generated by eXfuze that provides critical data relating to the identities of EIDs, sales information, and enrollment activity of each EID's Marketing Organization. This report contains confidential and trade secret information which is proprietary to eXfuze.

**Downline Leg** — Each one of the individuals enrolled immediately underneath you and their respective marketing organizations represents one "leg" in your marketing organization.

**End Consumer** — A person who purchases eXfuze products for the purpose of personally consuming them rather than for resale to someone else.

**Immediate Household** — Heads of household and dependent family members residing in the same house.

**Level** — The layers of downline EIDs in a particular EID's Marketing Organization. This term refers to the relationship of an EID relative to a particular upline EID, determined by the number of EIDs between them who are related by enrollment. For example, if A enrolls B, who enrolls C, who enrolls D, who enrolls E, then E is on A's fourth level.

**Marketing Organization** — The EIDs enrolled below a particular EID.

**Official eXfuze Material** — Literature, audio or video tapes, files, and other materials developed, printed, published and distributed by eXfuze to EIDs.

**Online Customer** — An individual who purchases eXfuze products through an EID's replicated eXfuze web site.

**Personal Production** — Moving product to an end consumer for personal use.

**Personal Sales Volume (PSV)** — The commissionable value of products sold in a calendar month: (1) by the Company to an EID; and (2) by the Company to the EID's online customers.

**Rank** — The "title" that an EID has achieved pursuant to the eXfuze Marketing and Compensation Plan.

**Recruit** — For purposes of eXfuze's Conflict of Interest Policy (Section 3.8), the term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly or through a third party, another eXfuze EID to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the EID's actions are in response to an inquiry made by another EID.

**Resalable** — Products and sales aids shall be deemed "resalable" 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 eXfuze within one year from the date of purchase; 5) the product expiration date has not elapsed; and 6) the product contains current eXfuze 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 Customer** — An individual who purchases eXfuze products from an EID.

**Retail Profit** — The difference between the wholesale price of products and the retail price an EID receives for products when they are resold.

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**Enroller** — An EID who enrolls another EID into the Company, and is listed as the Enroller on the EID Application and Agreement. The act of enrolling others and training them to become EIDs is called “enrolling.”

**Suggested Retail Price (SRP)** — The price at which eXfuze suggests EID sell a particular product to retail customers. Notwithstanding the SRP, EIDs are always free to sell eXfuze products at any price they choose.

**Upline** — This term refers to the EID or EIDs above a particular EID in an enrollment line up to the Company. Conversely stated, it is the line of Enrollers that links any particular EID to the Company.

**Wholesale Price (Wholesale)** — The price of the products that is paid to the Company by EIDs. The wholesale price is also called EID Cost. All commissions and bonuses are paid on the wholesale value of eXfuze products.

**See Appendix**

- A — Shipping Policy
- B — Refund Policy
- C — Privacy Policy
- D — Spam Policy

- E — Compliance Policy
- F — Earnings & Income Disclosure Policy
- G — Website Terms of Use
- H — Understanding the Law

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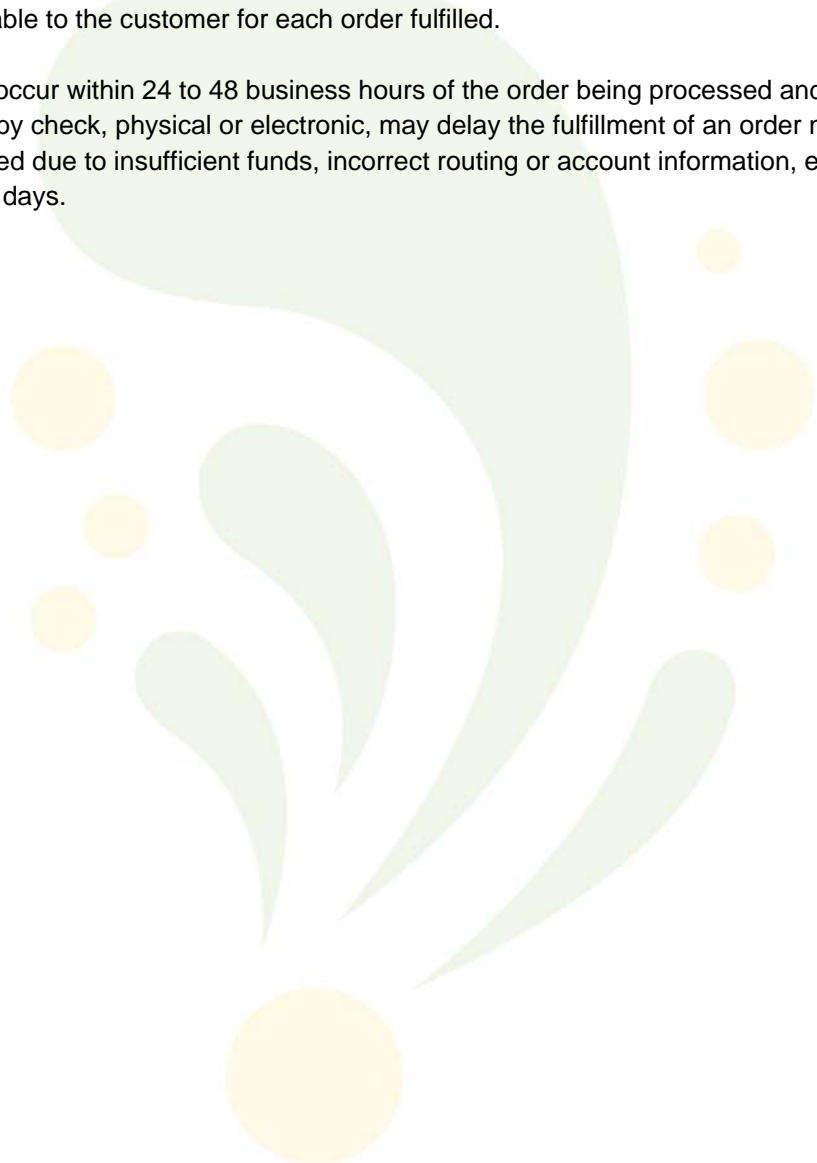


## **APPENDIX A – SHIPPING POLICY**

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eXfuze employs fulfillment centers in Utah and Tennessee to fulfill orders received for any of its products purchased by its customers. Orders may also be fulfilled from the Corporate Headquarters of eXfuze. The default shipping agent of eXfuze is the United Parcel Service (UPS). The default shipping service with UPS is UPS Ground. A tracking number will be assigned and made available to the customer for each order fulfilled.

The fulfillment of orders will occur within 24 to 48 business hours of the order being processed and payment being confirmed. Payments made by check, physical or electronic, may delay the fulfillment of an order no longer than to ensure payment is not returned due to insufficient funds, incorrect routing or account information, etc. The delay will be a minimum of five (5) business days.



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**APPENDIX B – REFUND POLICY****30-Day Trial & Return Policy:**

If you are not satisfied with your eXfuze product purchase, eXfuze will refund your purchase price or replace the product for orders placed within 30-days of your initial product order.

**To Receive Proper Credit Please Follow These Guidelines:**

1. Only product purchases made within 30-days of your initial order date are eligible for refund.
2. To request a refund you must contact Customer Service within 30 calendar days of your initial purchase date.
3. Shipping charges are non-refundable.
4. All products must be returned to an eXfuze LLC designated distribution center as indicated by Customer Service.

**For Refunds Exceeding 2 cases:**

- a. All products in excess of 2 cases returned, must be in resalable condition.
  - b. All products in excess of 2 cases are subject to a 10% administration fee.
5. Obtain a Return Merchandise Authorization Number (RMA#) from the eXfuze Customer Service Department.
  6. Returns must be received within 10 business days of RMA issuance.
  7. Return the product by a traceable means of delivery with the RMA# to eXfuze LLC's distribution center in the United States indicated on the label of delivery of product.
  8. Use proper shipping carton(s) and packaging materials to return product at purchaser's risk and expense, send by traceable means delivery.
  9. Refunds will be processed within 10 business days of receipt of product.

When purchases are made directly from an Independent Marketing Consultant's on-hand inventory the Distributor must uphold this Customer 30-Day Money Back Guarantee.

This return policy applies to orders made by Preferred Customers, Retail Customers and Affiliates direct from an eXfuze Independent Distributor and purchases by eXfuze Independent Distributors for personal use. Personal use for an EID is defined as a two (2) bottle order in any 28-Day period. Non-personal use orders as an Independent Distributor are subject to Section 7 – Subsection 7.2 – Return of Inventory and Sales Aids by EIDs of the eXfuze Policies and Procedures.

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**APPENDIX C – PRIVACY POLICY**

eXfuze LLC. (hereafter "the Company") is committed to protecting your privacy. The Company is committed to provide a high level of protection for the personally-identifiable information it collects and uses.

The purpose of this Privacy Policy is to inform you as to what information may be collected from you when you visit our website ("the Site") or when you become a Distributor or customer, how such information will be used by the Company and/or other persons or entities, with whom such information may be shared, your choices regarding the collection, use and distribution of such information, your ability to edit, update, correct or delete such information and the security procedures that we have implemented to protect your privacy.

**NOTICE**

**Collection of Information**

At different occasions you may be asked for certain types of personally-identifiable information (e.g., your first and last name, mailing address, city, state, zip code, telephone number, email address, credit card number, bank information in connection with automatic deposit/debits, etc.). We hope you will provide us with this information. However, if you do not want to disclose your personally-identifiable information to us, please do not submit it. This does mean that in some cases we will not be able to provide you the service you have requested.

We may also collect non-personally identifiable information from you when you visit the Site (e.g., your IP address, browser type, domain name, etc.). This information is collected and analyzed in the aggregate in order to improve the function and content of the Site.

**Use of Information**

We use the information that is collected about you for a variety of purposes. You will be informed about these purposes at the time of collection. In general, however, we foresee the following uses:

**Website visitors**

Information about you may be used to add you to our email subscription list, provide your name to EXfuze Independent Distributors (hereafter "EID") in connection with your expressed interest in our products and/or business opportunity, analyze trends and statistics, enhance the operation of the Site, serve content and advertisements and send informational and promotional materials about the Company and other companies.

**Customers**

Information about customers will be used to provide customer service, confirm and fulfill orders, ship orders, and/or administer payments and possible problems or disputes with dispatchers and other service providers.

**Distributors**

Information about Distributors will be used to provide Distributor services, calculate earnings and bonuses, provide training on new products and services, and ensure compliance with the Policies and Procedures defined between the Company and its EID's.

**CHOICE**

We have existing business relationships and may develop other relationships in the future with business partners. In these instances, we may share or otherwise allow access to information that is collected about you that will enable our business partners to contact you regarding products and services that may be of interest.

At the time we collect your information you will be given the choice to accept or refuse the disclosure of your information for such marketing purposes, and for marketing by the Company.

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**ONWARD TRANSFERS**

We may employ vendors to perform functions on our behalf. Examples of such functions include fulfilling orders, delivering packages, email administrative functions, processing credit card payments, and providing customer service. These vendors are under a contractual obligation to use confidential data received from the Company only for purposes that fall within the functions for which they were hired.

We may disclose information that we collect about you when we have reason to believe that this is necessary to identify, contact or bring legal action against persons or entities who may be harming you, us or others. We may also disclose information when we believe the law requires it.

Genealogy Reports, which includes information on an EID in another EID's downline, including, but not limited to, name, address, identification number, telephone number, email address, fax number, level or rank, volume and sales statistics, are provided to the EID in the strictest confidence and for the sole purpose of supporting the EID to further develop their EID business. (The downline organization consists of all EID's that were personally sponsored by a particular EID, and in turn, all other persons sponsored by those EID's.)

Genealogy Reports, including all data contained therein, constitute confidential, proprietary trade secrets of the Company. EID's may not collect, distribute or gather confidential information or personal or aggregate information about other EID's of the Company or their customers, except in connection with their downline and solely for the purpose of promoting their eXfuze business, and to manage, motivate and train their downline.

You need to be aware that EID's who receive the Genealogy Reports may be based in countries that do not offer the same or a similar level of privacy protection as is available in your own country. However, the Company will take reasonable measures to ensure that the information is kept in confidence.

**SECURITY**

We take reasonable steps to ensure that the personal information we collect about you remains accurate, timely and secure. Unfortunately, no data transmission over the Internet can be guaranteed to be 100% secure and while we strive to protect your personal information, we cannot guarantee or warrant its complete security. We shall not be responsible for harm that you or any person may suffer as a result of a breach of confidentiality in respect to your use of the Site or any information you transmit to the Site.

**DATA INTEGRITY**

Personally-identifiable information will be kept in active files or systems as long as needed to meet the purposes for which it was collected or as required to perform the contractual relationship with the EID and his/her up-line, and the commercial relationship with the customer.

The Company will make reasonable efforts to ensure that the information is accurate and complete.

**ACCESS OR CORRECTIONS TO YOUR INFORMATION**

If you identify any inaccuracy in your personal information, or if you need to make a change or would like to verify such information, please contact us so that we may update your information in our records or you may go online to one of the Company's websites and update your own information by logging into the Member's Area. Our contact information is set forth below. We will use commercially reasonable efforts to accommodate all such requests.

**COMPLAINTS**

The Company takes privacy concerns seriously. If you believe that the Company has not complied with this Privacy Policy, you may write to the address below or call us. Please describe in as much detail as possible the ways in which you believe that the Company Policy has not been complied with. We will investigate your complaint promptly. If you do not receive acknowledgment of your complaint, or your complaint is not satisfactorily addressed, you should contact the

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Compliance Department, which will serve as a liaison with the Company to resolve your concerns. Contact details for the Compliance Department are as follows: [compliance@exfuze.net](mailto:compliance@exfuze.net).

**WEBSITE SPECIFIC**

**Protection of Children**

The Site is a general audience web site that is not specifically designed or targeted at children. We do not knowingly collect, use or disseminate any personally-identifiable information from children under the age of 13. If, however, we become aware that personally-identifiable information regarding a child under the age of 13 has been collected at the Site, we will use such information for the sole purpose of contacting a parent or guardian of the child to obtain verifiable parental consent. If we cannot obtain consent after a reasonable period of time, or if when contacted a parent or guardian requests that we do not use or maintain such information, we will make reasonable efforts to delete it from our records. Upon request by a parent or guardian, the Company will provide a description of the specific types of personal information collected from a child who is under the age of 13.

**Cookies**

Cookies are small pieces of information that are stored on computer hard drives. We may use cookies to recognize you when you return to the Site in order to provide you with a better user experience. Our cookies do not contain any personally-identifying information, such as your name, or sensitive information, such as your credit card number. We may allow third parties to use cookies on the Site. We do not control the use or contents of third party cookies. Web browsers often allow you to erase existing cookies from your hard drive, block the use of cookies and/or be notified when cookies are encountered. If you elect to block cookies, please note that you may not be able to take full advantage of the features and functions of the Site.

**Third-Party Links**

The Site may contain links to web sites operated and maintained by third parties over which we have absolutely no control. Any information you provide to third party websites will be governed under the terms of each websites' privacy policy and we encourage you to investigate and ask questions before disclosing any information to the operators of third party websites. We have no responsibility or liability whatsoever for the content, actions or policies of third party websites. The inclusion of third party websites on our Site in no way constitutes an endorsement of such websites' content, actions or policies.

**MODIFICATIONS TO POLICY**

This Privacy Policy is effective as of December 5, 2007. The Company reserves the right to change this Privacy Policy at any time. Any changes to this Policy will be effective immediately upon notice, which may be provided to you via e-mail or by posting the latest version on our Site. Your subsequent use of the Site is deemed as acceptance of such changes. Be sure to review this Privacy Policy periodically to ensure familiarity with its most current version. You can easily confirm whether any revisions have been posted since your last visit by checking the date on which the Policy was last revised, which is set forth at the bottom of this Policy. If you object to such changes, we will honor our prior privacy policies as to any data previously collected. If you disagree with the changes in our policy, however, please do not use the Site after the posting of such changes online. By using the Site following the posting of changes to this Privacy Policy, you agree to all such changes.

**QUESTIONS OR COMMENTS OR TO CONTACT US**

If you have questions or comments about this Privacy Policy, or you wish to access or make changes to information we have about you, please call Distributor Relations at 561-626-4515 (only for Distributors) or contact us at: 11780 U.S. Hwy One, Suite 302 Palm Beach Gardens, Fl 33408 or [compliance@exfuze.net](mailto:compliance@exfuze.net).

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## **APPENDIX D – SPAM POLICY**

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eXfuze LLC. (hereafter "the Company") strictly prohibits the sending of unsolicited bulk email (SPAM).

**How We Define Spam?** We define spam as the sending of Unsolicited Commercial Email, Unsolicited Bulk Email, or Unsolicited Facsimiles, which is email or facsimile sent to recipients as an advertisement or otherwise, without first obtaining prior confirmed consent to receive these communications from the sender. This can include, but is not limited to, the following:

1. Email Messages
2. Newsgroup postings
3. Windows system messages
4. Pop-up messages (aka "adware" or "spyware" messages)
5. Instant messages (using AOL, MSN, Yahoo or other instant messenger programs)
6. Online chat room advertisements
7. Guestbook or Website Forum postings
8. Facsimile Solicitations
9. Facebook
10. MySpace
11. Twitter

IF YOU OR ANYONE YOU KNOW IS "SPAMMED" BY SOMEONE WHO IS SELLING OR DESCRIBING THE COMPANY'S PRODUCTS OR SERVICES, PLEASE CONTACT US PROMPTLY SO THAT WE MAY TAKE APPROPRIATE ACTION.

[compliance@exfuze.net](mailto:compliance@exfuze.net)

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**APPENDIX E – COMPLIANCE POLICY**

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At eXfuze LLC (hereafter "the Company"), we are committed to and singularly focused on building a brand that is widely recognized worldwide, while creating an business opportunity unparalleled by either conventional or network marketing standards. In doing so, there are compliance measures that need be enforced to protect the Company's business opportunity for all.

**THE COMPANY POLICY**

Whereas the Company encourages the creation of any supplemental marketing material by any EXfuze Independent Distributor (hereafter "EID"), the Company requires all advertising of any media type (including, but not limited to, printed or copied materials of any kind, newspapers, magazines, radio, Internet, television, video, etc.) be approved by the Company's Compliance Department, prior to its publication or use. The Company reserves the right, at its discretion, to edit or discontinue previously approved EID advertisements.

**DOMAIN NAME POLICY**

The word "eXfuze" or any derivative thereof cannot be used in domain names.

**ENFORCEMENT**

As these compliance policies are vital to the long-term stability of the Company and the preservation of the opportunity for all, violations of these policies will be strictly enforced. Failure to obtain approval for advertising material of any kind and/or failure to implement the policies in any material may result in the following:

1. Formal warning letter and/or probation
2. Suspension of commissions
3. Termination of EID position
4. Possible litigation

**APPROVAL**

EID's must obtain Company approval by submitting a copy of the proposed materials to eXfuze prior to its public use. All proposed materials may be mailed to eXfuze Compliance Department, 11780 U.S. Hwy One Suite 302 Palm Beach Gardens, FL 33408, or emailed to [compliance@exfuze.net](mailto:compliance@exfuze.net).

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**APPENDIX F – EARNINGS & INCOME DISCLOSURE POLICY**

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We make every effort to ensure that we accurately represent products and services and their potential for income. Earning and Income statements made by our Company and its customers are estimates of what we think you can possibly earn. There is no guarantee that you will make these levels of income and you accept the risk that the earnings and income statements differ by individual.

As with any business, your results may vary, and will be based on your individual capacity, business experience, expertise, and level of desire. There are no guarantees concerning the level of success you may experience. The testimonials and examples used are exceptional results, which do not apply to the average EXfuze Independent Distributor (hereafter "EID"), and are not intended to represent or guarantee that anyone will achieve the same or similar results. Each individual's success depends on his or her background, dedication, desire and motivation.

There is no assurance that examples of past earnings can be duplicated in the future. We cannot guarantee your future results and/or success. There are some unknown risks in business and on the internet that we cannot foresee which can reduce results. We are not responsible for your actions.

The use of our information, products or services should be based on your own due diligence and you agree that our Company is not liable for any success or failure of your business that is directly or indirectly related to the purchase and use of our information, products or services.

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**APPENDIX G – WEBSITE TERMS OF USE**

eXfuze, LLC (hereafter "the Company") maintains this website (hereafter "Site") for your personal information, education and communication. Please feel free to browse the Site, but please read these terms of use (hereafter "Terms of Use") before doing so.

BY USING AND/OR ACCESSING ANY PART OF THE SITE, YOU ARE UNCONDITIONALLY CONSENTING TO BE BOUND BY THESE TERMS OF USE. IF YOU DO NOT AGREE TO THESE TERMS OF USE, THEN PLEASE DO NOT USE THE SITE.

References in these Terms of Use to "you" or "your" refer to you, the person requesting access to and use of the Site.

1. THE PRODUCTS ON THE SITE ARE NOT INTENDED TO DIAGNOSE, TREAT, CURE, OR PREVENT ANY DISEASE. INFORMATION AND STATEMENTS REGARDING DIETARY SUPPLEMENTS HAVE NOT BEEN EVALUATED BY THE FOOD AND DRUG ADMINISTRATION AND ARE NOT INTENDED TO DIAGNOSE, TREAT, CURE OR PREVENT ANY DISEASE. INFORMATION ON THE SITE IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND IS NOT MEANT TO SUBSTITUTE FOR THE ADVICE PROVIDED BY YOUR OWN PHYSICIAN OR OTHER MEDICAL PROFESSIONAL. YOU SHOULD NOT USE THE INFORMATION CONTAINED HEREIN FOR DIAGNOSING OR TREATING A HEALTH PROBLEM OR DISEASE, OR PRESCRIBING ANY MEDICATION. YOU SHOULD READ CAREFULLY ALL PRODUCT PACKAGING. IF YOU HAVE OR SUSPECT THAT YOU HAVE A MEDICAL PROBLEM, PROMPTLY CONTACT YOUR HEALTH CARE PROVIDER.

2. The trademark eXfuze® and the other trademarks displayed on the Site are registered and unregistered trademarks of the Company. Nothing contained on the Site should be construed as granting, by implication, estoppels or otherwise, any license or right to use any trademark displayed on the Site, or any license or right to use any other trademark owned by any other third party. In the event that you misuse any trademark in violation of these Terms of Use, the Company will aggressively enforce its intellectual property rights to the fullest extent of the law, including the seeking of criminal prosecution.

3. You should assume that all content, materials, designs, text and images (collectively, the "Materials") contained on the Site are copyrighted and may not be used except as provided in these Terms of Use. You may download one copy of the Materials to one computer for your personal and non-commercial home use provided you do not change any copyright, trademark, or other proprietary notice. If you modify or use the Materials for any other purpose, you will be violating the intellectual property rights of the Company. The Company neither warrants nor represents that your use of the Materials will not infringe rights of third parties not affiliated with the Company. Any unauthorized use of the Materials is strictly prohibited and is a violation of the rights of the Company and/or third parties, including, without limitation, under copyright laws, trademark laws, the laws of privacy and publicity.

4. The Site may provide you with an opportunity to communicate with us. Please be aware that any communication, whether it be suggestions, ideas, graphics, or other material, to the Company through the Site or otherwise will be treated as non-confidential and non-proprietary. Anything you submit, transmit, or post becomes the property of the Company and the Company is free to use any ideas, concepts, suggestions, graphics, photography, or know-how contained in any communication for any purpose whatsoever, whether commercial or noncommercial, without payment of any compensation to you.

5. While the Company uses reasonable efforts to include accurate and up to date information in the Site, we make no warranties or representations as to the accuracy, correctness, reliability or otherwise with respect to such information, and assume no liability or responsibility for any omissions or errors (including, without limitation, typographical errors and technical errors) in the content of the Site.

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6. Information in the Site is subject to change without notice. In addition, the Company may make changes to the products described in the Site and prices for such products at any time without notice. Information regarding the Company's products and services is applicable only in the United States unless otherwise noted. Some products and services may not be available in certain areas. The Company makes no representation that the Materials included in the Site are appropriate or available for use in countries other than the United States. Those who do access the Site from other countries are solely responsible for compliance with local laws of that country.
7. Use of and browsing in the Site is done at your own risk. NEITHER THE COMPANY NOR ANY OTHER PARTY INVOLVED IN CREATING, PRODUCING OR DELIVERING THE SITE SHALL BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES, OR ANY OTHER DAMAGES WHATSOEVER, ARISING OUT OF YOUR ACCESS TO, OR USE OF, OR BROWSING THE SITE, OR DOWNLOADING OF ANY MATERIALS, DATA, TEXT, IMAGES, VIDEO OR AUDIO FROM THE SITE, INCLUDING, WITHOUT LIMITATION, DAMAGE TO, OR VIRUSES THAT MAY INFECT, YOUR COMPUTER EQUIPMENT OR OTHER PROPERTY AS A RESULT THEREOF. The foregoing limitation of liability shall apply to the maximum extent permitted by law. Without limiting the foregoing, everything on the Site is provided to you "AS IS" AND "AS AVAILABLE" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND THE COMPANY HEREBY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. The Company does not represent or warrant that your use of the Site will be uninterrupted, error free, secure, free of viruses or other harmful components, or that any content is accurate or correct. Please note that some jurisdictions may not allow the exclusion of implied warranties, so some of the above exclusions may not apply to you. Check your local laws for any restrictions or limitations regarding the exclusion of implied warranties.
8. This Site may link to other sites not maintained by or related to the Company. Such hyperlinks are provided as a service to users and are not sponsored by, endorsed or otherwise affiliated with this Site or with the products and services of the Company. The Company has not reviewed all of the sites linked to the Site and is not responsible for the content of any other site. Viewing all other sites is at your own risk. Unless expressly stated, the Company does not endorse any products or services offered by any Company or person linked to its Site. You may not create a link to the Site without first obtaining the Company's written permission.
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10. As a condition of your use of the Site, you represent and warrant to the Company that you will not use the Site or any Materials for any purpose that is unlawful or prohibited by these Terms of Use. You may not use the Site in any manner which could damage, disable, overburden, or impair the Site or interfere with any other party's use and enjoyment of the Site. You may not obtain or attempt to obtain any Materials or information through any means not intentionally made available or provided for through the Site. It is up to you to take precautions to ensure that whatever Materials you select for your use is free of such items as viruses, worms, trojan horses and other items of a destructive nature.
11. Information we obtain about you is subject to our Privacy Policy. For more information, see our full Privacy Policy at [www.exfuze.com](http://www.exfuze.com). You understand that through your use of the Site you consent to the collection and use of this information as set forth in our Privacy Policy.

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12. This Site is controlled by the Company from its offices in the state of Florida, United States of America. The Company makes no representation that all of the contents of the Site are appropriate or available for use in other locations, and access to the Site is prohibited from locations where some or all of the content is illegal. If you choose to access this Site from other locations, you do so at your own initiative and you are responsible for compliance with applicable local laws. You may not use or export any contents of the Site in violation of U.S. export laws and regulations. Any claim relating to the Site content shall be governed by the internal substantive laws of the State of Florida without regard to its conflict of law principles. You agree and hereby submit to the exclusive personal jurisdiction and venue of the Federal and State Courts located in Palm Beach County, Florida USA. Use of the Site is unauthorized in any jurisdiction that does not give effect to all provisions of these Terms of Use, including, without limitation, this paragraph. Any failure by the Company to enforce any of its right under these Terms of Use or under applicable law shall not constitute a waiver of such rights.

13. If any part of these Terms of Use is determined to be invalid or unenforceable pursuant to applicable law including, but not limited to, the warranty disclaimers and liability limitations set forth above, then the invalid or unenforceable provisions will be deemed superseded by a valid, enforceable provision that most closely matches the intent of the original provision and the remainder of these Terms of Use shall continue in effect.

14. The Company may, at any time and from time to time, revise these Terms of Use by updating this posting. You are bound by any such revisions and should therefore periodically visit this page to review the then-current Terms of Use. Certain provisions of these Terms of Use may be superseded by expressly designated legal notices or terms located on particular pages of the Site.

15. These Terms of Use set forth the entire understanding and agreement between you and the Company with respect to the Site. You acknowledge that any other agreements between you and the Company with respect to the Site are superseded and of no force or effect.

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## APPENDIX H – UNDERSTANDING THE LAW

### LAWS

Basically, EXfuze Independent Distributors (hereafter "EID") need to be aware of three types of laws:

1. Licensing Codes for Medical Practitioners. These are enacted on a state level.
2. Food, Drug, and Cosmetic Act, passed in 1938. This law has been revised many times over the years and constantly changes. State laws generally cover the same subjects, but most are not aggressively enforced.
3. Advertising laws, State and Federal laws that obligate advertisers to use only claims that are truthful and do not misrepresent the value or benefit of a product.

### LICENSING CODES

Generally, these codes forbid a person from practicing medicine without a license.

Therefore, unless you have a license to practice medicine issued by the state, you may not diagnose, prescribe, or hold yourself out as capable of doing so.

To a health-minded person, it seems very natural to offer friendly advice to others concerning their health. However, if you happen to be a sales representative for nutritional products, you cannot offer any advice that could be construed as diagnosing or prescribing for diseases or other physical or mental problems.

### FOOD AND DRUG LAWS

The Federal Food, Drug, and Cosmetic Act governs the following:

- **Foods:** Vitamins, minerals, amino acids, extracts and herbs are dietary supplements, which are classified as foods under the Act. Conventional foods like drinks, shakes and candy bars are also included.
- **Drugs:** A drug is defined by U.S. law as any substance (other than a food or device) intended for use in the diagnosis, cure, relief, treatment, or prevention of disease or intended to affect the structure or function of the body. (Oral contraceptives are an example of drugs that affect the function of the body rather than a disease.) This comprehensive definition of a drug, although important for legal purposes, is rather complex for everyday use. A simpler but workable definition of a drug is any chemical substance that affects the body and its processes. By law, drugs are divided into two categories: prescription drugs and nonprescription drugs. Prescription drugs—those considered safe for use only under medical supervision—may be dispensed only with a prescription from a licensed professional with governmental privileges to prescribe (for example, a physician, dentist, podiatrist, nurse practitioner, physician's assistant, or veterinarian). Nonprescription drugs—those considered safe for use without medical supervision (such as aspirin)—are sold over the counter. In the United States, the Food and Drug Administration (FDA) is the government agency that decides which drugs require a prescription and which may be sold over the counter.
- **Cosmetic:** The legal difference between a cosmetic and a drug is determined by a product's intended use. Different laws and regulations apply to each type of product. Firms sometimes violate the law by marketing a cosmetic with a drug claim or by marketing a drug as if it were a cosmetic, without adhering to requirements for drugs. The Food, Drug, and Cosmetic Act (FD&C Act) defines cosmetics by their intended use, as "articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body...for cleansing, beautifying, promoting attractiveness, or altering the appearance" [FD&C Act, sec. 201(i)]. Among the products included in this definition are skin moisturizers, perfumes, lipsticks, fingernail polishes, eye

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and facial makeup preparations, shampoos, permanent waves, hair colors, toothpastes, and deodorants, as well as any material intended for use as a component of a cosmetic product.

You should be familiar with the law as it regards to the sale of dietary supplements.

Claiming that a food or a dietary supplement can cure, treat or prevent diseases makes them “drugs” that are subject to special legal requirements and must be pre-approved by the FDA.

## **ADVERTISING LAWS**

Truth-in-advertising laws have been enacted by both the federal and state governments. Even private organizations like the Better Business Bureau are involved in ensuring that advertisers make truthful claims so that consumers get accurate information and can make informed decisions about the products they buy.

All Advertisers are required to use only claims that are truthful and not misleading. Advertisers must have adequate substantiation or “proof” for all claims before they make them.

### **Selling Dietary Supplements**

First of all, it is perfectly legal to sell dietary supplements. They must be presented as dietary supplements, which is the classification determined by the Federal Food and Cosmetic Act. Labeling claims that dietary supplements affect certain bodily structures and functions are permitted as long as they are supported by scientific research. They should not be represented as ‘drugs’ to treat or prevent disease, because this could influence their legal status. According to the law, foods are “articles used for food or drink.” Drugs are “articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of diseases in man or other animals.”

Even though you may be convinced that certain dietary supplements have curative powers, the law does not permit such claims to be made without prior FDA approval. And proving the efficacy of dietary supplements to the government would take millions of dollars and years of testing. It is simply not feasible to do that.

So you can sell dietary supplements as dietary supplements, but not as drugs.

## **FOODS VS DRUGS**

The law uses words with great precision, and subtle distinctions are crucial. People in the dietary supplement business, therefore, need to understand how to talk about their products without putting them in the category of drugs. The law does not recognize the healing powers of dietary supplements nor does it give much credence to individual testimonials, especially testimonials about how dietary supplements may have helped someone overcome a disease or sickness.

## **COSMETICS**

Laws regarding cosmetics are much more straight forward and easy to understand. Cosmetics are defined as articles intended to be rubbed, poured, sprinkled, or sprayed on, or introduced into, or applied on the human body for cleansing, beautifying, promoting attractiveness, or altering appearance. They must be safe, sanitary, and truthfully labeled.

## **THE POTENTIAL FOR LEGAL PROBLEMS**

To summarize, you must be careful in these three areas. You can be found of breaking the law when you:

1. Present the products as drugs; rather than dietary supplements.
2. Make outrageous or untruthful claims for any product.

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3. Take the role of licensed medical doctor by diagnosing or prescribing.

**ENFORCEMENT OF LAWS**

Licensing laws are enforced by state government officials. They may be notified by a dissatisfied dietary supplement customer, family member, insurance carrier, or by a medical doctor.

Food and drug laws are enforced on a national level by the Food and Drug Administration (the FDA). State agencies enforce state laws.

Because our products are classified as dietary supplements, manufactures and suppliers are subject to FDA inspections in the same way that the state and local health officials inspect bakeries or restaurants.

Penalties for violating the law can be severe, especially for practicing without a medical license.

**LEGAL PROBLEMS**

Should you be nervous about legal problems? Yes and no. Yes, if you are unaware of the law and are careless and unwise in your sales approach. No, if you keep abreast of the law and stay within the law. Very few EID's experience legal problems, but we are concerned about our people and don't want any unpleasantness.

Remember: You are running a legitimate business and you have rights as such.

**HOW TO STAY WITHIN THE LAW**

It's critical that you understand legal limits. The summaries below clearly define what you can and cannot do. Read it carefully.

**WHAT YOU CAN'T DO AND THE EXPLANATION**

**Diagnose (without a license)** this means telling a particular person what is physically or mentally wrong with him/her. "To examine in any manner another person. To determine source, nature, kind, or extent of a disease or other physical or mental condition."

**Prescribe (without a license)** this means telling a person what he/she should take for a specific malfunction or problem.

**Advertise "Doctor" services (without a license)** this means do not use signs, ads, business cards that include the word "doctor" "physician" "Dr." or "M.D." when representing your business or services.

**Misrepresent a product** this means telling a person that he/she should take for a specific disease, illness or problem. This also means telling an individual something that is false or misleading about a product, its use, content, action, or expected performance.

**Represent dietary supplements as drugs** this means presenting a dietary supplement as a cure or treatment for a specific disease rather than a purely nutritional or dietary aid.

**Sell or display dietary supplements at purely educational meetings** if the meeting is for educational purpose only and may include some discussion of the medicinal value of one or more dietary supplements, anything said can be construed by the law as representing dietary supplements dietary supplements you sell as drugs.

**WHAT YOU CAN DO AND THE EXPLANATION**-----  
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**Talk about herbs and ingredients as dietary supplements** discuss how they contribute to health and nutrition, and how they affect bodily structure and function.

**Talk not about diseases or symptoms and more about health** emphasize good nutrition and sound dietary practices, including supplementation.

**Learn the facts** refer to responsible sources for your information. Don't be influenced by quackery.

**Inform people that you don't prescribe or diagnose** do this at all meetings.

**LEGAL GUIDELINES FOR ADVERTISING**

You may find it beneficial to your business to run an advertisement in a newspaper or make up a flyer.

When you plan your copy, observe the same precautions you observed in presenting the information.

Don't say anything that would represent the product or an ingredient in the product as a drug.

Don't make misleading statements:

**WRONG:** Seven+ will add 20 years to your life.

**RIGHT:** Seven+ will help support the body's nutritional well-being.

**LEGAL HELP**

Sometimes it is difficult to understand all the implications of the law, particularly since it changes so often, and since laws vary from state to state. For this reason, the Company has provided some help:

**LEGAL SERVICES:**

The Compliance Department can provide information on topics such as:

Marketing of products

Proposed publications or advertisements

Interviews with the media

Relations with government authorities

For assistance email your questions to [compliance@exfuze.net](mailto:compliance@exfuze.net)

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