

**IDLife™, LLC**  
**POLICIES & PROCEDURES**

**1. Policies and Compensation Plan Incorporated into Independent Associate Agreement;**

**Amendments.** These Policies and Procedures, in their present form and as amended at the sole discretion of IDLife, LLC (hereafter “IDLife” or the “Company”), are incorporated into the IDLife Independent Associate Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the IDLife Independent Associate Agreement, the Policies and Procedures, the IDLife Compensation Plan. Independent Associates shall be referred to herein as “Independent Associates.” The Company reserves the right to amend the Agreement at its discretion. Amendments shall be effective 30 days after notice and publication of the amended provisions in the Independent Associate’s Back-Office, but amended policies shall not apply retroactively to conduct that occurred prior to the effective date of the amendment.

**2. Policies and Provisions Severable.** If any provision of the Agreement, in its current form or as amended, is held void or unenforceable, only the void or unenforceable portion(s) of the provision shall be severed from the Agreement and the remaining provisions shall remain in effect. The severed provision shall be reformed so that it is in compliance with the law and reflects the purpose of the original provision as closely as possible.

**3. Term and Renewal of Your IDLife Business.**

The term of the Independent Associate Agreement is one year from the date of enrollment. Independent Associates (“Independent Associate”) must renew their Independent Associate Agreement each year and pay the annual renewal fee. The annual renewal notice will be posted in the Independent Associates’ Back-Office. The annual renewal fee is waived for Independent Associates who have a current subscription to the optional \$24.95 replicated website. Annual fees are optional in North Dakota.

**4. Compliance With the Law.** Independent Associates must not engage in any act or omission that constitutes a violation of the law.

**5. General Conduct.** Independent Associates shall safeguard and promote the good reputation of IDLife and its products, and must avoid all deceptive, misleading, unethical or immoral conduct or practices, and must exhibit high moral character in their personal and professional conduct. Independent Associates shall not engage in any conduct that may damage the Company’s goodwill or reputation. While it is impossible to specify all misconduct that would be contrary to this policy, and the following list is not a limitation on the standards of conduct to which Independent Associates must adhere pursuant to this policy, the following standards specifically apply to Independent Associates’ activities:

- Independent Associates must conspicuously identify themselves as an independent IDLife Independent Associate in all advertising, telephone directory listings, promotional material, social media postings, websites, and other forums in which they promote IDLife’s products, services and/or the IDLife business. Independent Associates are responsible for the content of all material that they produce and all of their postings on any social media site, as well as all posting on any social media site that they own, operate, own or control.
- Deceptive conduct is always prohibited. Independent Associates must ensure that their statements are truthful, fair, accurate, and are not misleading in any fashion;
- Independent Associates may not make any social media postings, or link to or from any postings or other material that is sexually explicit, obscene, pornographic, offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise), is graphically violent, is solicitous of any unlawful behavior, that engages in personal attacks on any individual, group, or entity, or is in violation of any intellectual property rights of the Company or any third party.
- If an Independent Associate’s IDLife business is cancelled for any reason, the Independent Associate must discontinue using the IDLife

name, and all other IDLife intellectual property, and all derivatives of such intellectual property, in postings on **all** Social Media, websites, or other promotional material.

- Independent Associates may not represent or imply that any state or federal government official, agency, or body has approved or endorses IDLife, its program, or products.

**6. Social Media.** In addition to meeting all other requirements specified in these Policies, should an Independent Associate utilize any form of social media, including but not limited to blogs, Facebook, Twitter, LinkedIn, YouTube, or Pinterest, the Independent Associate agrees to each of the following:

- No product sales or enrollments may occur on any social media site. To generate sales, a social media site must link only to the Independent Associate's IDLife replicated website.
- It is each Independent Associate's responsibility to follow the social media site's terms of use. If the social media site does not allow its site to be used for commercial activity, you must abide by the site's terms of use as well as all other rules of the site.
- Any social media site that is directly or indirectly operated or controlled by an Independent Associate that is used to discuss or promote IDLife's products, or the IDLife opportunity may not link to any website, social media site, or site of any other nature, other than the Independent Associate's IDLife replicated website.
- During the term of this Agreement and for a period of 12 calendar months thereafter, an Independent Associate may not use any social media site on which they discuss or promote, or have discussed or promoted, the IDLife business or IDLife's products to directly or indirectly solicit IDLife Independent Associates for another direct selling or network marketing program (collectively, "direct selling"). In furtherance of this provision, an Independent Associate shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Independent Associates relating to the Independent Associate's other direct selling business activities. Violation of

this provision shall constitute a violation of the nonsolicitation provision in Policy 20.

- An Independent Associate may post or "pin" photographs of IDLife products on a social media site.
- If an Independent Associate creates a business profile page on any social media site that promotes or relates to IDLife, its products, or opportunity, the business profile page must relate exclusively to the Independent Associate's IDLife business and IDLife products. If the Independent Associate's IDLife business is cancelled for any reason or if the Independent Associate becomes inactive, the Independent Associate must deactivate the business profile page.

**7. Independent Associate Created Marketing Methods, Advertising, and Promotional Material (Sales Tools).** Subject to the requirements set forth in these Policies, Independent Associates may create their own sales aids, presentations, advertising and promotional materials, and marketing methods (collectively "Sales Tools"). To ensure that the Sales Tools are of professional quality, are not deceptive and contain only substantiated claims, all Independent Associate created Sales Tools must be submitted to the Company and receive written approval before they can be used or made public. Independent Associates who receive written authorization from IDLife to produce and publish Sales Tools may make approved Sales Tools available to other Independent Associates free of charge if they wish, but may not sell the Sales Tools to other IDLife Independent Associates (any sale or attempt to sell Sales Tools to another Independent Associate will result in the termination of the offending Independent Associate's IDLife business). IDLife reserves the right to rescind approval for any approved Sales Tools, and Independent Associates waive all claims against IDLife, its officers, directors, owners, employees, and agents for damages, expenses, costs, or remuneration of any other nature arising from or relating to such rescission. IDLife may make approved Sales Tools available to all Independent Associates through their Back-Offices or other forums, and will be available for all Independent Associates' use free of charge. **The Independent Associate(s) who created the Sales Tools grants IDLife and its Independent**

**Associates an irrevocable license to use the Sales Tools at their discretion, and waives all intellectual property right claims, including but not limited to copyright claims, and/or claims for remuneration against IDLife, its officers, directors, owners, agents, and other Independent Associates for such posting and/or use of the Sales Tools.**

Approved Sales Tools will be posted in the Document Library section of Independent Associates' Back-Offices and will be made available to all Independent Associates free of charge. The Independent Associate who submitted the Sales Tool to the Company waives all claims to remuneration for such use and grants IDLife an irrevocable license to use the Sales Tools as the Company deems appropriate.

**8. Trademarks and Copyrights.** The name "IDLife" and other names as may be adopted by the Company are proprietary trade names, trademarks and service marks of IDLife. The Company will not allow the use of its trade names, trademarks, designs, or symbols, or any derivatives of such marks, by any person, including IDLife Independent Associates, in any unauthorized manner without its prior written permission. This includes, but is not limited to use in any email address, website domain name, or social media name or address, or unapproved Sales Tools.

**9. Independent Associate Web Sites.** Only Independent Associates who have reached the rank of Director or above may create their own websites to promote their IDLife business or IDLife's products and services. However, official IDLife sup-plied replicated websites are the only online forum through which IDLife products may be sold and new IDLife Independent Associate enrollments may be transacted (prohibited online forums include, but are not limited to, Independent Associates' external websites, online auctions and classified listings). Notwithstanding the foregoing, Independent Associate may create one external website to promote their IDLife business and IDLife products, but such external website must comply with the following:

- External websites may not take and/or process

product or service orders, sales or enrollments. The external site must be directed to the Independent Associate's replicated website to process sales and/or enrollments;

- The external site must be directed to the Independent Associate's replicated website to process sales and/or enrollments;
- All external websites must clearly and conspicuously identify the Independent Associate who is operating the external website, and must clearly and conspicuously disclose that he/she is an IDLife Independent Associate, and that the site is not IDLife's corporate website. Websites that do not identify the promoter of the site and/or that he/she is promoting IDLife's products or the IDLife opportunity (so called "blind" websites), are not permitted;
- Upon cancellation of an Independent Associate's IDLife independent Agreement for any reason, the former Independent Associate must immediately remove the external site from the internet;
- The external website must exclusively promote IDLife's products and IDLife's opportunity.
- Prior to going live with an external website, the Independent Associate must submit a beta site to the Company for review and receive the Company's written authorization to use the website. Following approval, any amendments to the Site must also be submitted to the Company and receive written approval before going live.

**IDLife reserves the right to rescind approval for any approved external web site, and Independent Associates waive all claims against IDLife, its officers, directors, owners, employees, and agents for damages, expenses, costs, or remuneration of any other nature arising from or relating to such rescission.**

**10. Retail Outlets and Service Establishments.** IDLife strongly encourages the retailing and selling of its products through person-to-person contact. In an effort to reinforce this method of selling and to help provide a standard of fairness for all Independent Associates, Independent Associates may not display or sell IDLife products or literature, or in any other way promote the IDLife

opportunity or products in any retail, wholesale, warehouse, or discount establishment without prior written approval from IDLife. Notwithstanding the foregoing, Independent Associates may display and sell IDLife products at professional trade shows.

**11. Service Related Establishments.** Independent Associates may promote and sell IDLife products in service-related establishments. A service-related establishment is one whose primary revenue is earned by providing personal service rather than by selling products. Such establishments include offices of doctors, dentists and other health professionals; health clubs or fitness centers; beauty salons; and any other business where customer use of the establishment is controlled by membership or appointment. IDLife reserves the right to make the final determination as to whether an establishment is service-related or is a proper place for the sale of its products.

**12. Change of Sponsor.** The only means by which an Independent Associate may legitimately change his/her sponsor is by voluntarily canceling his/her IDLife business in writing and remaining inactive for six (6) full calendar months. Following the six calendar month period of inactivity, the former Independent Associate may reapply under a new sponsor. The Independent Associate will lose all rights to his/her former downline organization upon his/her cancellation.

**13. Waiver of Claims.** In cases wherein an Independent Associate improperly changes his/her sponsor, IDLife reserves the sole and exclusive right to determine the final disposition of the downline organization that was developed by the Independent Associate in his/her second line of sponsorship. INDEPENDENT ASSOCIATES WAIVE ANY AND ALL CLAIMS AGAINST IDLIFE, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM IDLIFE'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN INDEPENDENT ASSOCIATE WHO HAS IMPROPERLY CHANGED HIS/HER SPONSOR.

**14. Product Claims.** Independent Associates

must not make claims, including but not limited to testimonials, about IDLife's products or services that are not contained in official IDLife literature or posted on IDLife's official website. Under no circumstances shall any Independent Associate state or imply that any IDLife product is useful in the diagnosis, treatment, cure, or prevention of any disease, illness, injury, or other medical condition.

**15. Weight Loss Testimonials.** Independent Associates shall not make weight loss testimonial in connection with IDLife's products. This prohibition includes express weight loss claims and implied weight loss claims such as before and after photos that depict weight loss.

**16. Income Claims.** When presenting or discussing the IDLife opportunity or Compensation Plan to a prospective Independent Associate, Independent Associates may not make income projections, income claims, income testimonials, or disclose their IDLife income (including, but not limited to, the showing of checks, copies of checks, bank statements, or tax records), or the income of any other IDLife Independent Associate. Nor may Independent Associates make "lifestyle" income claims. A "lifestyle" income claim is a statement or depiction that infers or states that the Independent Associate is able to enjoy a luxurious or successful lifestyle due to the income they earn from their IDLife business. Examples of prohibited lifestyle claims include, but are not limited to, representations (either through audio or visual medium) that an Independent Associate was able to quit his/her job, acquire expensive or luxury material possessions, or travel to exotic or expensive destinations.

**17. Compensation Plan Claims.** When presenting or discussing the IDLife compensation plan, you must make it clear to prospects that financial success in IDLife requires commitment, effort, and sales skill. Conversely, you must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include:

- It's a turnkey system;
- The system will do the work for you;
- Just get in and your downline will build through

spillover;

- Just join and I'll build your downline for you;
- The company does all the work for you;
- You don't have to sell anything.
- All you have to do is buy your products every month.

The above are just examples of improper representations about the compensation plan. It is important that you do not make these, or any other representations, that could lead a prospect to believe that they can be successful as an Independent Associate without commitment, effort, and sales skill.

**18. Media Inquiries.** Independent Associates must not interact with the media regarding the IDLife business or products. All inquiries from the media, including radio, television, print, online, or any other medium, shall be directed to IDLife's marketing department.

**19. Participation in Other Network Marketing Programs.** IDLife Independent Associates are free to participate in other network marketing programs. However, Independent Associates at the rank of Managing Director or higher who participate in other network marketing programs shall not be eligible for recognition from IDLife, including but not limited to recognition at any IDLife function or in any IDLife publication.

**20. Nonsolicitation.** During the term of this Agreement and for one year thereafter, with the exception of an Independent Associate's personally sponsored downline Independent Associates, an Independent Associate may not directly or indirectly Recruit other IDLife Independent Associates for any other network marketing business. The term "Recruit" means the direct or indirect, actual or attempted, sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, another IDLife Independent Associate to enroll or participate in another network marketing opportunity.

If an Independent Associate is engaged in other non-IDLife business or Network Marketing program, it is the responsibility of the Independent Associate to ensure that his or her IDLife business

is operated entirely separate and apart from all other businesses and/or Network Marketing programs. To this end, the Independent Associate must not:

- Display IDLife promotional material, sales aids, or products with or in the same location as, any non-IDLife promotional material or sales aids, products or services (Pinterest and similar social media sites are exempt from this policy).
- Offer the IDLife opportunity, products or services to prospective or existing customers or Independent Associates in conjunction with any non-IDLife program, opportunity or products.
- Offer, discuss, or display any non-IDLife opportunity, products, services or opportunity at any IDLife-related trunkshow, meeting, seminar, convention, webinar, teleconference, or other function.

**21. Confidential Information.** "Confidential Information" includes, but is not limited to, the identities, contact information, and/or sales information relating to IDLife's Independent Associates and/or customers: (a) that is contained in or derived from any Independent Associates' respective Back-Office; (b) that is derived from any reports issued by IDLife to Independent Associates to assist them in operating and managing their IDLife business; and/or (c) to which an Independent Associate would not have access or would not have acquired but for his/her affiliation with IDLife. Confidential Information constitutes proprietary business trade secrets belonging exclusively to IDLife and is provided to Independent Associates in strict confidence. Confidential Information shall not be directly or indirectly disclosed to any third party nor used for any purpose other than Independent Associate's use in building and managing his/her Independent IDLife business.

**22. Targeting the Sales Force of Other Direct Sellers.** IDLife does not condone Independent Associates specifically or consciously targeting the sales force of another direct sales company to sell IDLife products or to become an Independent Associate for IDLife, nor does IDLife condone Independent Associates' solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should an Independent

Associate engage in such activity, the Independent Associate bears the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against an Independent Associate by a third party alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, or in any way violated their contract with the third party, IDLife will not pay any of Independent Associate's defense costs or legal fees, nor will IDLife indemnify the Independent Associate for any judgment, award, or settlement. Should the third party bring or threaten legal action against IDLife based on the conduct of the Independent Associate, the Independent Associate agrees that it shall indemnify IDLife for all judgments, settlements, payments of any other nature, litigation costs, and attorney's fees that IDLife incurs in relation to such legal action or threat of legal action.

### **23. Product Inventory & Bonus Buying.**

Independent Associates may carry an inventory of IDLife products for resale. However, Independent Associates should not purchase more merchandise than they can reasonably sell or use in a 30-day period. In addition, bonus buying is strictly prohibited. Bonus buying includes the purchase of merchandise for any reason other than bona fide resale or use, or any mechanism or artifice to qualify for rank advancement or maintenance, incentives, prizes, commissions or bonuses that are not driven by bona fide product purchases by end user consumers for actual use.

**24. Limitations on Independent Associate and Household Businesses.** Independent Associates may own, operate, control, or have an interest in only one IDLife business. There may be no more than two IDLife businesses per household. If there are two businesses in the household, both businesses must have the same Sponsor. A "household" is defined as spouses or couples, and dependent children of one or both spouses or couples, living in the same home of the spouses or member of the couple, as well as dependent children of either spouse or member of the couple, while attending school away from home.

**25. Actions of Affiliated Parties.** The term "Business Entity" shall mean any corporation,

partnership, limited liability company, trust or other entity that owns or operates an IDLife independent business. The term "Affiliated Party" shall mean any individual, partnership, trust, limited liability company, or other entity or individual that has an ownership interest in, management responsibility for, or provides services to, a Business Entity.

A Business Entity and each Affiliated Party must comply with the Agreement. If a Business Entity and/or any Affiliated Party violates the Agreement, IDLife may take disciplinary action against the Business Entity and/or against any or all of the Affiliated Parties.

If a household member of an Independent Associate engages in conduct that would be a violation of the Agreement, the conduct of the household member shall be imputed to the Independent Associate.

**26. Tampering With Product Packaging.** IDLife products must be sold in their original packaging; Independent Associates shall not alter the original packaging or labeling.

**27. Negative Comments.** Complaints and concerns about IDLife and/or its products should be directed to the customer Service Department. Independent Associates must not disparage, demean, or make negative remarks to third parties or other Independent Associates about IDLife, its owners, officers, directors, management, other IDLife Independent Associates, IDLife's products, the Marketing and Compensation plan, or IDLife's directors, officers, or employees. Disputes or disagreements between any Independent Associate and IDLife shall be resolved through the dispute resolution process, and the Company and Independent Associates agree specifically not to demean, discredit, or criticize one another on the internet or any other public forum.

**28. Sales Receipts.** Independent Associates must provide their retail customers that purchase merchandise directly from the Independent Associate with **two copies** of an official IDLife sales receipt at the time of the sale and advise them of the three day right to rescind the transaction, which is set forth on the receipt. Independent Associates must maintain all retail sales receipts for

a period of two years and furnish them to IDLife at the Company's request. Independent Associates may download sales receipts from their Back-Office. Retail customers who purchase from an Independent Associate's Back-Office need not be provided with a sales receipt as the receipt will automatically be sent by the Company via email at the time the order is placed.

### **29. Adjustment to Bonuses and Commissions.**

Compensation stemming from product sales is fully earned when the applicable return, repurchase, and chargeback periods applicable to product sales have all expired. When a product is returned to IDLife for a refund or is repurchased by the Company, or a chargeback occurs, the compensation attributable to the returned or repurchased product(s) will be recovered by the Company. Unearned compensation will be deducted, in the month in which the refund is issued or the chargeback occurs, and continuing every pay period thereafter until the commission is recovered, from the upline Independent Associates who received bonuses and commissions on the sales of the refunded products.

### **30. Return of Inventory and Sales Aids by Independent Associates Upon Cancellation.**

Upon cancellation of an Independent Associate's Agreement, the Independent Associate may return products and Sales Tools that he or she personally purchased from IDLife within one year prior to the date of cancellation (the one year limitation shall not apply to residents of Maryland, Massachusetts, Wyoming and Puerto Rico) so long as the goods are in Resalable condition. Upon the Company's receipt of returned goods and confirmation that they are in Resalable condition, the Independent Associate will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. Goods are "Resalable" if they are unopened and unused and packaging and labeling has not been altered or damaged. Any merchandise that is clearly identified at the time of sale as nonreturnable, closeout, discontinued, or as a seasonal item, is not Resalable. Replicated website fees are not refundable except as may be required under applicable state law.

### **31. Order Cancellation and Satisfaction**

**Guarantee.** Federal and state law requires that Independent Associates notify their retail customers that they have three business days (5 business days for Alaska residents. 15 days for residents of North Dakota over the age of 65. Saturday is a business day, Sundays and legal holidays are not business days) within which to cancel their purchase and receive a full refund upon return of the products in substantially as good condition as when they were delivered. Independent Associates shall verbally inform their customers of this right, shall provide them with TWO copies of a retail receipt at the time of the sale, and shall point out this cancellation right stated on the receipt.

In addition, IDLife offers a money back guarantee on products returned within 30 days from the date of the purchase. Products shipped directly to the customer by the Company must be returned to the Company and a refund will be issued to the customer by the Company. Products delivered to the customer by an Independent Associate must be returned to the selling Independent Associate, and it shall be the responsibility of the Independent Associate to issue the refund to his/her customer. This product satisfaction guarantee does not apply to products damaged by abuse or misuse, and shipping costs are not refundable. Independent Associates shall disclose the terms of the warranty to his/her customers at the time of sale and shall also point out this warranty information on the sales receipt and product literature.

If an Independent Associate returns more than merchandise purchases totaling \$300.00 for a refund in any 12 consecutive month period, the request will constitute the Independent Associate's voluntary cancellation of his/her Independent Associate Agreement, and the refund will be processed as an inventory repurchase and the Independent Associate's IDLife business will be cancelled.

**32. Montana Residents.** A Montana resident may cancel his or her Independent Associate Agreement within 15 days from the date of enrollment, and may return his or her Independent Associate Kit for a full refund within such time period.

**33. Disciplinary Sanctions.** Violation of the Agreement, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an Independent Associate that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the Independent Associate's IDLife business), may result, at IDLife's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Independent Associate to take immediate corrective measures;
- IDLife may withhold from an Independent Associate all or part of the Independent Associate's bonuses and commissions during the period that IDLife is investigating any conduct allegedly in violation of the Agreement. If an Independent Associate's business is canceled for disciplinary reasons, the Independent Associate will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Independent Associate Agreement and independent business for one or more pay periods without pay;
- Involuntary termination of the offender's Independent Associate Agreement;
- Suspension and/or termination of the offending Independent Associate's IDLife website or website access;
- Any other measure expressly allowed within any provision of the Agreement or which IDLife deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Independent Associate's policy violation or contractual breach;
- In situations deemed appropriate by IDLife, the Company may institute legal proceedings for monetary and/or equitable relief.

**34. Effect of Cancellation.** An Independent Associate whose business is cancelled for any reason will lose all Independent Associate rights, benefits and privileges. This includes the right to represent yourself self as an Independent IDLife Independent Associate, to sell IDLife products and services and the right to receive commissions,

bonuses, or other income resulting from his/her own sales and the sales and other activities of the Independent Associate and the Independent Associate's former downline sales organization. There is no whole or partial refund for Independent Associate Kit fees or renewal fees if an Independent Associate's business is cancelled.

**35. 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 or by cancelling his/her business through the Back-Office. The written notice must include the Independent Associate's signature, printed name, address, and Independent Associate I.D. Number. If an Independent Associate is also on the Autoship program, the Independent Associate's Autoship order shall continue unless the Independent Associate also specifically requests that his or her Autoship Agreement also be canceled. An Independent Associate may also voluntarily cancel his/her IDLife business by failing to renew the Agreement on its anniversary date.

**36. Business Transfers.** Independent Associates in good standing who wish to sell or transfer their business must receive IDLife's prior written approval before the business may be transferred. Requests to transfer a business must be submitted in writing to the Compliance Department at [Compliance@IDLife.com](mailto:Compliance@IDLife.com). It is within IDLife's discretion whether to allow a business sale or transfer, but such authorization shall not be unreasonably withheld. However, no business that is on disciplinary probation, suspension, or under disciplinary investigation may be transferred unless and until the disciplinary matter is resolved. Prior to transferring a business to a third party, the Independent Associate must offer IDLife the right of first refusal to purchase the business on the same terms as negotiated with a third party. The Company shall have ten days to exercise its right of first refusal.

**37. Transfer Upon an Independent Associate's Death.** An Independent Associate may devise his/her business to his/her heirs. Because IDLife cannot divide commissions among multiple beneficiaries or transferees, the beneficiaries or transferees



must form a business entity (corporation, LLC, partnership, etc.), and IDLife will transfer the business and issue commissions to the business entity. In the case of a business transfer via testamentary instrument, the beneficiary of the business must provide IDLife with certified letters testamentary and written instructions of the trustee of the estate, or an order of the court, that provides direction on the proper disposition of the business. The beneficiary must also execute and submit to the Company an IDLife Independent Associate Agreement within 30 days from the date on which the business is transferred by the estate to the beneficiary or the business will be cancelled. If the business is transferred to a minor, the business must be placed in a trust and transferred to the minor no sooner than the date on which the beneficiary reaches the age of majority. Until such time, the trustee, who must be at least age 18, must operate and manage the business.

### **38. Business Distribution Upon Divorce.**

IDLife is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, in divorce cases, any settlement or divorce decree must award the business in its entirety to one party. IDLife will recognize as the owner of the business the former spouse to who is awarded the business pursuant to a legally binding settlement agreement or decree of the court. The former spouse who receives the IDLife business must also execute and submit an IDLife Independent Associate Agreement within 30 days from the date on which the divorce becomes final or the business will be cancelled.

**39. Dissolution of a Business Entity.** IDLife is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, in the event that a business entity that operates an IDLife business dissolves, the owners of the business entity must instruct the Company on the identity of the proper party who is to receive the business. The IDLife business must be awarded to a single individual or entity that was previously recognized by the Company as an owner of the business entity; the Company cannot divide the business among multiple parties or issue separate commission payments. If the business entity wishes to sell or transfer its IDLife business, it must do so

pursuant to Policy 36. In addition, the recipient of the IDLife business must also execute and submit an IDLife Independent Associate Agreement to the Company within 30 days from the date of the dissolution of the business entity or the IDLife business will be cancelled.

**40. International Activities.** Independent Associates may not sell IDLife products in any international market, or conduct business activities of any nature, in any foreign country that the Company has not announced is officially open for business.

**41. Product Pricing.** As an independent contractor, you are responsible for setting prices for the products you sell. However, IDLife recommends Associates to charge customers the suggested retail price. To do otherwise has an impact on the legitimate business interest of other Independent Associates.

**42. Dispute Resolution.** For claims seeking \$10,000.00 or more that arise from or relate to the Agreement, prior to filing arbitration as set forth below, the parties shall meet in good faith and attempt to resolve such dispute through confidential nonbinding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. If the Parties cannot agree on a mediator, the complaining party shall request a mediator be appointed by the American Arbitration Association (“AAA”). The mediation shall occur within 60 days from the date on which the mediator is appointed. The mediator’s fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney’s fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Frisco, Texas and shall last no more than two business days.

**Except as otherwise provided in the Agreement, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled through confidential arbitration. The Parties waive rights to trial by jury or to**

**any court.** This arbitration provision applies to claims that were not successfully resolved through the foregoing mediation process as well as claims for less than \$10,000.00 not subject to the mediation requirement. The arbitration shall be filed with, and administered by, the American Arbitration Association in accordance with the AAA's Commercial Arbitration Rules and Mediation Procedures, which are available on the AAA's website at [www.adr.org](http://www.adr.org). Copies of the AAA's Commercial Arbitration Rules and Mediation Procedures will also be emailed to Independent Associates upon request to IDLife's customer Service Department. Notwithstanding the rules of the AAA, unless otherwise stipulated by the Parties, the following shall apply to all Arbitration actions:

- The Federal Rules of Evidence shall apply in all cases;
- The Parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- The Parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;
- The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Texas, without regard to principles of conflicts of laws, shall govern all other matters relating to or arising from the Agreement,
- The arbitration hearing shall commence no later than 365 days from the date on which the arbitrator is appointed, and shall last no more than five business days;
- The Parties shall be allotted equal time to present their respective cases;
- The arbitration shall be brought on an individual basis and not as part of a class or consolidated action.

All arbitration proceedings shall be held in Frisco, Texas. There shall be one arbitrator selected from the panel that the AAA 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 to which the Parties have consented to jurisdiction as set forth in the Agreement. This agreement to arbitrate shall survive the cancellation or termination of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the arbitration proceedings and shall not disclose to third parties:

- The substance of, or basis for, the controversy, dispute, or claim;
- The substance or content of any settlement offer or settlement discussions or offers associated with the dispute;
- The pleadings, or the content of any pleadings, or exhibits thereto, filed in any arbitration proceeding;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award;
- The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

Notwithstanding the foregoing, nothing in the Agreement shall prevent either party from applying to and obtaining from any court to which the Parties have consented to jurisdiction as set forth in the Agreement a temporary restraining order, preliminary or permanent injunction, or other equitable relief to safeguard and protect its intellectual property rights, trade secrets, and/or confidential information, including but not limited to enforcement of its rights under the Nonsolicitation provisions of the Agreement.

**43. Liquidated Damages.** In any case which arises from or relates to the wrongful termination of Independent Associate's Agreement and/or independent business, the parties agree that damages will be extremely difficult to ascertain. Therefore, the parties stipulate that if the involuntary termination of an Independent Associate's Agreement and/or loss of their independent business is proven and held to be wrongful under any theory of law, Independent

Associate's sole remedy shall be liquidated damages calculated as follows:

- For Independent Associates at the "Paid As" rank Director through Managing Director, liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to IDLife's Compensation Plan in the twelve (12) months immediately preceding the termination.
- For Independent Associates at the "Paid As" rank Senior Director through Vice Presidential Director, liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to IDLife's Compensation Plan in the eighteen (18) months immediately preceding the termination.
- For Independent Associates at the "Paid As" rank Presidential Director through Global Presidential Director, liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to IDLife's Compensation Plan in the twenty-four (24) months immediately preceding the termination.

Gross compensation shall include commissions and bonuses earned by the Independent Associate pursuant to IDLife's Compensation Plan as well as retail profits earned by Independent Associate for the sale of IDLife merchandise. However, retail profits must be substantiated by providing the Company with true and accurate copies of fully and properly completed retail receipts provided by Independent Associate to customers at the time of the sale.

The Parties agree that the foregoing liquidated damage schedule is fair and reasonable.

An Independent Associate's "Paid As" rank is the rank or title at which they actually qualified to earn compensation under the IDLife Compensation Plan during a pay-period. For purposes of this Policy, the relevant pay-period to determine an Independent Associate's "Paid As" rank is the pay-period during which the Independent Associate's business is placed on suspension or terminated, whichever occurs first. The "Paid As" rank differs from the "Title Rank," which is the highest title or rank that a Consultant has ever achieved under the IDLife

Compensation Plan.

**44. Damage Waiver.** In any action arising from or relating to the Agreement, the parties waive all claims for incidental and/or consequential damages, even if the other party has been apprised of the likelihood of such damage. The parties further waive all claims to exemplary and punitive damages.

**45. Governing Law, Jurisdiction and Venue.** Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Collin County, State of Texas, or the United States District Court for the Eastern District of Texas. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Texas, without regard to principals of conflicts of laws, shall govern all other matters relating to or arising from the Agreement.

**46. Louisiana Residents.** Notwithstanding the foregoing, and the arbitration provision set forth above, residents of the State of Louisiana shall be entitled to bring an action against IDLife in their home forum and pursuant to Louisiana law.

**47. Handling Personal Information.** As an Independent Associate, you will receive Personal Information from and about prospective Independent Associates, customers and other individuals. Keeping their Personal Information secure not only helps to ensure your compliance with the law, but it also helps you to maintain current customers' and potential customers' trust, which is an important factor in your success. Personal Information is information that identifies, or permits you to contact, an individual. It includes a customer's, potential customer's or other individual's name, address, email address, phone number, credit card information, and other information associated with these details, such as purchases.

#### **WHEN FOR COLLECTING, USING & DISCLOSING PERSONAL INFORMATION**

**Give the customer notice.** Customers want to know why you are collecting their Personal Information and what you plan to do with it, so tell

them what you are collecting, why and with whom you are going to share it. Tell them this before or at the time that you collect their Personal Information, and then be sure that you use and share Personal Information only in the ways you promised.

**Collect only what you need.** Collect only the Personal Information that you really need. Review the forms that you use to collect Personal Information, and revise them to remove fields for information you do not need. Less is more. For example, don't collect a credit or debit card number unless your customer actually makes a purchase.

**Give the customer control.** Give customers a choice about how you communicate with them. For instance, find out if a customer wants to receive promotions and other marketing messages from you and, if so, whether he or she would prefer to receive them by email, phone or another method of communication. Respect the customer's wishes: if, for example, a customer tells you that he or she doesn't want to receive emails, then find another way to communicate with him or her.

**Stay up-to-date.** Keep the customers' Personal Information up-to-date. Remind them to let you know if their Personal Information changes. Keeping your contacts current helps you to stay in touch with them.

**Your Back-Office.** Your Back-Office may have information relating to your downline Independent Associate's confidential information. You must not show this information to anyone, nor may you share your Back-Office access with anyone.

**Share only if necessary.** Don't share a customer's Personal Information unless you have a real business reason to do so—and then share only what is necessary, and no other information, and make sure that the other person agrees to use the Personal Information only in the ways you have agreed.

**Be careful.** A customer's information is a valuable asset. Don't communicate it to the general public or to anyone who doesn't have a legitimate need for it. Protect it from unauthorized access or disclosure.

**Dispose of Personal Information responsibly.**

When you no longer need a customer's Personal Information, stop using it. Dispose of it in a way that makes it unreadable, such as by shredding paper documents.

**Be very careful with debit and credit card numbers and other sensitive Personal Information.** If sensitive Personal Information falls into the wrong hands, customers could become the victim of fraud or identity theft. Consider these steps to help reduce that risk:

- Pay attention to your surroundings and use good judgment whenever you need to discuss or transmit sensitive Personal Information;
- Do not share (or ask a customer to share) sensitive Personal Information, including payment information, in an unsecure way, such as by email;
- Keep sensitive Personal Information in a secure place, such as a locked drawer. Do not leave it lying around where someone could see or take it;
- Use similar safeguards if you keep sensitive Personal Information on your computer. For example, use passwords that are not easy to guess, install virus protections, and password protect documents that contain sensitive Personal Information;
- Avoid storing Personal Information on your laptop or another portable device that could be lost or stolen, unless the device is encrypted; and
- Unless you have a legitimate business need, do not keep sensitive Personal Information. Keeping it for longer than you need it creates unnecessary risk.