



Policies & Procedures | Australia

as of October 2014

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SECTION 1 – GENERAL PROVISIONS

1.1. CONTRACT WITH ARBONNE

The contract between Arbonne Europe Sàrl (“Arbonne”) and each Arbonne Independent Consultant includes:

- The Independent Consultant Application & Distribution Agreement;
- The Policies & Procedures;
- The Arbonne SuccessPlan; and
- The Arbonne Privacy Policy; and
- The Business Entity Registration Form, if applicable.

These documents are collectively referred to throughout these Policies & Procedures as the “Agreement.” Arbonne reserves the right to update and amend these documents periodically at Arbonne’s sole discretion.

1.2. AMENDMENTS TO AGREEMENT

No Arbonne Independent Consultant of any status may alter, amend or waive any provision of the Agreement, and any representation or statement to the contrary, or which is inconsistent with the foregoing, should not be relied upon and will not be binding on Arbonne.

Arbonne reserves the right to periodically amend or modify the Agreement at its sole discretion. Arbonne Independent Consultants agree that they will be bound by any changes to the Agreement 30 days after notice of the amendment is published in a commercially reasonable fashion, which includes, but is not limited to, posting online at Arbonne’s website.

If an Arbonne Independent Consultant does not agree to any amendment, he or she shall cancel his or her Independent Consultant Agreement in writing no later than the effective date of the amendment.

1.3. SEVERANCE OF INVALID PROVISIONS

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision never comprised a part of the Agreement.

1.4. WARRANTIES, LIMITED LIABILITY AND INDEMNITY

1.4.1. NO EXPRESS OR IMPLIED WARRANTIES

EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS AGREEMENT AND TO THE FULL EXTENT PERMITTED BY THE LAW, ARBONNE DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF COMPATIBILITY, SECURITY, ACCURACY, OR USEFULNESS WITH RESPECT TO ARBONNE'S PRODUCTS AND SERVICES, ITS WEBSITE, INFORMATION CONTAINED ON THE WEBSITE, THE ARBONNE REPLICATED WEBSITE PROGRAM, OR THE ARBONNE OPPORTUNITY (COLLECTIVELY HEREAFTER, "SERVICE").

THIS SERVICE IS PROVIDED "AS IS." YOU MAY RELY ON THIS SERVICE SOLELY AT YOUR OWN RISK. ADVICE, OPINIONS AND STATEMENTS SHOULD NOT BE RELIED UPON WHEN MAKING IMPORTANT PERSONAL, MEDICAL, LEGAL OR FINANCIAL DECISIONS. YOU SHOULD CONSULT A PROFESSIONAL TO OBTAIN SPECIFIC ADVICE APPROPRIATE TO YOUR CIRCUMSTANCES. WE DO NOT WARRANT THAT THIS SERVICE WILL BE UNINTERRUPTED OR ERROR-FREE, AND THERE MAY BE DELAYS, OMISSIONS, INTERRUPTIONS AND INACCURACIES IN THE INFORMATION OR OTHER MATERIALS THAT ARE AVAILABLE ON OR THROUGH THIS SERVICE. YOU ASSUME FULL RESPONSIBILITY AND RISK OF LOSS, INCLUDING LOSS OF DATA, RESULTING FROM YOUR DOWNLOADING AND/OR USE OF ARBONNE'S WEBSITE OR THIS SERVICE. YOUR USE OR CONTINUED USE OF THIS SERVICE CONSTITUTES YOUR AGREEMENT TO ABIDE AND BE BOUND BY THE TERMS GOVERNING THIS SERVICES, INCLUDING ANY MODIFICATIONS THERETO WHICH ARE EFFECTIVE UPON POSTING. ALTHOUGH WE INTEND TO TAKE REASONABLE STEPS TO PREVENT THE INTRODUCTION OF VIRUSES AND OTHER DESTRUCTIVE MATERIALS TO THIS SERVICE, WE DO NOT GUARANTEE OR WARRANT THAT THIS SERVICE OR MATERIALS THAT MAY BE DOWNLOADED FROM THIS SERVICE DO NOT CONTAIN SUCH DESTRUCTIVE FEATURES. FURTHER, TO THE EXTENT THIS SERVICE PROVIDES LINKS TO THIRD PARTY WEBSITES OR RESOURCES, ARBONNE IS NOT RESPONSIBLE FOR THE AVAILABILITY OF SUCH THIRD PARTY WEBSITES OR RESOURCES, NOR THE CONTENT OR OTHER MATERIAL FROM SUCH WEBSITES OR RESOURCES. WE ARE NOT LIABLE FOR ANY DAMAGES OR HARM ATTRIBUTABLE TO THE FOREGOING.

TO THE FULL EXTENT PERMITTED BY LAW, WE MAKE NO REPRESENTATIONS OR WARRANTIES REGARDING ARBONNE INDEPENDENT CONSULTANT REPLICATED WEBSITES, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS OF PURPOSE. YOU SHOULD NOT RELY ON ANY REPRESENTATIONS OR WARRANTIES CONTAINED ON ANY ARBONNE INDEPENDENT CONSULTANT REPLICATED WEBSITE.

THE FINAL SUCCESS OR FAILURE OF ANY ARBONNE INDEPENDENT CONSULTANT DEPENDS UPON HIS OR HER INDIVIDUAL EFFORT. THERE ARE NO GUARANTEES OR PROJECTIONS OF ACTUAL EARNINGS.

ARBONNE SHALL NOT BE RESPONSIBLE FOR DELAYS OR FAILURES IN PERFORMANCE OF ITS OBLIGATIONS WHEN PERFORMANCE IS MADE COMMERCIALY IMPRACTICABLE DUE TO CIRCUMSTANCES BEYOND ITS REASONABLE CONTROL. THIS INCLUDES, WITHOUT LIMITATION, STRIKES, LABOUR DIFFICULTIES, RIOT, WAR, FIRE, DEATH, CURTAILMENT OF A PARTY'S SOURCE OF SUPPLY, OR GOVERNMENT DECREES OR ORDERS.

1.4.2. LIMITED LIABILITY

EXCEPT AS OTHERWISE STATED HEREIN, EACH ARBONNE INDEPENDENT CONSULTANT AGREES THAT ARBONNE, ITS AFFILIATES, AGENTS, ARBONNE INDEPENDENT CONSULTANTS, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS WILL NOT BE LIABLE FOR ANY CLAIM, LOSS, DAMAGES, EXPENSES OR COSTS WHETHER DIRECT OR INDIRECT, INCLUDING CONSEQUENTIAL OR SPECIAL DAMAGES, LOST PROFITS OR OTHERWISE, ARISING OUT OF OR RELATING IN ANY WAY TO THIS AGREEMENT, THE USE OR INABILITY TO USE THIS SERVICE, THE PURCHASE OR USE OF ARBONNE GOODS, SERVICES OR INFORMATION, PARTICIPATION AS AN ARBONNE INDEPENDENT CONSULTANT, OR FROM UNAUTHORISED ACCESS TO OR ALTERATION OF ANY TRANSMISSIONS OR DATA. EACH ARBONNE INDEPENDENT CONSULTANT HEREBY WAIVES ANY CLAIMS WITH RESPECT THERETO, WHETHER BASED ON CONTRACTUAL, TORT, OR OTHER GROUNDS, EVEN IF ARBONNE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. SOME JURISDICTIONS DO NOT ALLOW FOR LIMITED LIABILITY OR EXCLUSION OF EXPRESS OR IMPLIED WARRANTIES, SO NOT ALL OF THE ABOVE LIMITATIONS MAY APPLY.

1.4.3. INDEMNITY AND HOLD HARMLESS AGREEMENT

IN THE CONDUCT OF AN ARBONNE INDEPENDENT CONSULTANT BUSINESS, EACH ARBONNE INDEPENDENT CONSULTANT AGREES TO REFRAIN FROM ALL CONDUCT THAT MIGHT BE HARMFUL TO THE REPUTATION OF ARBONNE OR ITS PRODUCTS, INCLUDING BUT NOT LIMITED TO, CONDUCT INCONSISTENT WITH THE PUBLIC INTEREST OR CONDUCT THAT IS DECEPTIVE, MISLEADING, UNETHICAL OR IMMORAL. EACH ARBONNE INDEPENDENT CONSULTANT AGREES TO HOLD HARMLESS AND INDEMNIFY ARBONNE, ITS AFFILIATES, AGENTS, ARBONNE INDEPENDENT CONSULTANTS, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS FOR ANY CLAIMS, DAMAGES OR LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS) ARISING OUT OF BUSINESS PRACTICES BY THE ARBONNE INDEPENDENT CONSULTANT, INCLUDING BREACH OF ANY OF ARBONNE'S POLICIES & PROCEDURES OR OTHER AGREEMENTS. EACH ARBONNE INDEPENDENT CONSULTANT ALSO SPECIFICALLY AUTHORISES ARBONNE TO OFFSET ANY SUCH CLAIMS, COSTS, EXPENSES, DAMAGES OR LIABILITIES AGAINST ANY AND ALL COMMISSIONS PAYABLE TO THE ARBONNE INDEPENDENT CONSULTANT. EACH ARBONNE INDEPENDENT CONSULTANT ALSO AGREES TO INDEMNIFY AND HOLD HARMLESS ARBONNE, ITS AFFILIATES, AGENTS, ARBONNE INDEPENDENT CONSULTANTS, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY AND ALL LIABILITIES, CLAIMS, EXPENSES AND DAMAGES, INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS, ARISING OUT OF OR IN ANY WAY RELATED TO HIS OR HER USE OF THIS SERVICE, PURCHASE, SALE OR INFORMATION REGARDING ARBONNE PRODUCTS, THE ARBONNE OPPORTUNITY, OR IN CONNECTION WITH HIS OR HER ACCOUNT OR ANY OTHER PERSON'S USE OR ACCESS TO THIS SERVICE BY OR THROUGH HIS OR HER ACCOUNT, WITH OR WITHOUT HIS OR HER PERMISSION, INCLUDING WITHOUT LIMITATION ANY CLAIMS OF LIBEL, DEFAMATION, VIOLATION OF RIGHTS OF PRIVACY OR PUBLICITY, TRESPASS, AND INFRINGEMENT OF INTELLECTUAL OR OTHER PROPRIETARY RIGHTS.

SECTION 2 — ENROLMENT, BUSINESS STRUCTURES AND TRANSFERS

2.1. BECOMING AN ARBONNE INDEPENDENT CONSULTANT

To apply to become an Arbonne Independent Consultant, electronically submit a properly completed Independent Consultant Application & Distribution Agreement to Arbonne through its website or an Arbonne Independent Consultant replicated website (“Arbonne Replicated Website”), together with the appropriate registration administrative fee. The registration fee is not a service or franchise fee, but is rather to offset costs incurred by Arbonne for educational development costs, business materials and administrative costs. No product or inventory purchase by the Arbonne Independent Consultant is required and there are no other fees or costs, except for an annual renewal fee. When the applicant submits the Independent Consultant Application & Distribution Agreement electronically, he or she will be deemed to have accepted the terms of the Agreement.

Only after the application is accepted and processed by Arbonne will Arbonne register the person submitting the application as an Arbonne Independent Consultant and provide him or her with a non-transferable Arbonne ID number and Starter Kit. Incomplete or rejected Independent Consultant Application will not be processed. Arbonne reserves the right to reject any new or renewal application.

The Agreement will automatically renew at the end of the month that is 12 months following a new Independent Consultant’s start date. There is an annual renewal fee for all Arbonne Independent Consultants. An Arbonne Independent Consultant will be informed of the current renewal fee rate prior to the renewal fee being charged. The renewal fee may be subject to taxes in accordance with the law and must be paid in currency (business credits may not be applied). If an Arbonne Independent Consultant has a credit card on file with Arbonne, Arbonne will automatically charge this credit card for the renewal fee on the second day of the month that is 12 months from the date of the Arbonne Independent Consultant’s initial application. Any Arbonne Independent Consultant who does not wish to have his or her credit card automatically charged for the renewal fee may unsubscribe through his or her account on Arbonne’s website or by contacting Arbonne’s customer service before the second day of the month in which the Arbonne Independent Consultant’s renewal will be charged. The annual renewal fee is to offset costs incurred by Arbonne for educational development costs and materials which are provided to the Arbonne Independent Consultant. No advance notices of renewal dates will be given by the Arbonne. It is the responsibility of the Arbonne Independent Consultant to track an upcoming renewal date and be prepared for the upcoming renewal fee.

Arbonne Independent Consultants must pay their renewal fee annually and agree to the latest terms of the Agreement. Payment of this fee will constitute an agreement to the terms of the latest Agreement and allow the Independent Consultant to remain as an Arbonne Independent Consultant for an additional 12 months, until the next renewal date. Failure to pay the annual renewal fee by an Arbonne Independent Consultant will result in the deactivation of that Arbonne Independent Consultant on the last day of the month following the renewal month. Once an Arbonne Independent Consultant has been deactivated, he or she may reapply under the same Sponsor, or must wait six months before reapplying under any new Sponsor. Arbonne Independent Consultants who pay the renewal fee but who have not met the Personal Qualifying Volume maintenance requirements as set forth in the SuccessPlan will be reclassified to Preferred Client.

A company, partnership or corporate trustee of a trust (“Business Entity”) applying to become an Arbonne Independent Consultant should refer to section 2.3 of these Policies & Procedures for additional requirements that apply to Business Entities who wish to become an Arbonne Independent Consultant.

2.2. FILLING OUT AND SUBMITTING ENROLMENT APPLICATIONS

No Arbonne Independent Consultant shall present the Arbonne opportunity as anything other than an opportunity available to anyone regardless of race, gender, nationality, sexual orientation or religious or political beliefs to any person. Sponsors are encouraged to assist prospects in filling out an online Independent Consultant Application.

However, sponsors may not sign an application, nor submit an application, on behalf of an applicant.

2.3. BUSINESS ENTITIES

An Arbonne Independent Consultant may choose to operate through a company, partnership or corporate trustee of a trust (collectively referred to as a “Business Entity”) by submitting a properly completed Business Entity Registration Form along with an Independent Consultant Application & Agreement. Arbonne recommends that the Business Entity adopt its own constitution or operating agreement to govern the rights and relationship between the Participants.

The Business Entity Registration Form must be signed by all the shareholders, members, partners, trustees or any person holding an ownership interest or management position in the Business Entity (collectively, “Participants”). It includes a form of guarantee and indemnity in favour of Arbonne, which must be signed by all Participants. Arbonne recommends that, should any Participant have any query concerning the Business Entity Registration Form, the Participant and the Business Entity seek independent professional advice. Participants of the Business Entity are jointly and severally liable for any indebtedness or other obligations to Arbonne.

Arbonne may collectively recognise all Participants of a Business Entity for purposes of title or achievement recognition so long as the Contact Person is present and included; however, to ensure efficient communications between Arbonne and the Business Entity, the Business Entity must designate one individual Participant to receive communications, award, recognition or to participate in incentive awards on behalf of the Business Entity, including non-divisible forms of payment (including but not limited to car bonuses) from Arbonne. This individual Participant is the authorised contact for the Business Entity and should be nominated on the Business Entity Registration Form as the “Contact Person.”

An Arbonne consultancy may change to a company, partnership or corporate trustee of a trust, or from one type of entity to another, so long as the original Arbonne Independent Consultant remains the Contact Person for the Business Entity.

Arbonne reserves the right to impute the conduct of any Participant to the Business Entity as a whole. Therefore, if any one Participant breaches the Agreement, then any breach by that Participant shall be imputed to the Business Entity.

2.4. DISSOLUTION OF BUSINESS ENTITIES

2.4.1. GENERAL

In preparing to dissolve a Business Entity, arrangements should be made to ensure that any distribution or division of the consultancy is accomplished so as not to adversely affect the interests and income of other consultancies up or down the line of sponsorship. If the separating Participants engage in a dispute over the disposition of the consultancy that is not resolved in a reasonably prompt timeframe, Arbonne may, in its sole discretion, terminate the Agreement with that Business Entity and pop-up their entire organisation pursuant to Policy 2.9.

2.4.2. PROCEDURES DURING DISSOLUTION

While preparing to dissolve a Business Entity, and during the dissolution process, Arbonne recommends that the consultancy should be conducted as follows:

- The Contact Person may with the consent of the other Participant(s), operate the consultancy pursuant to an assignment in writing whereby the relinquishing Participants authorise Arbonne to deal directly and solely with the Contact Person. All commissions, recognition, car bonuses and other payments and rewards will be issued in the name of the Contact Person.
- The Participants may continue to operate the consultancy jointly on a “business-as-usual” basis, whereupon all payments made by Arbonne will be paid according to the status quo, as it existed prior to the dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.
- Under no circumstances will the SuccessLine of a dissolving Business Entity be divided. Similarly, under no circumstances

will Arbonne split commission or bonus payments between Participants in dissolving Business Entities. Payments shall always be made to the same individual or entity.

- The former Participants of a Business Entity that ceased operating a consultancy are bound by the requirement under the Agreement to wait six (6) calendar months before they are permitted to again apply to become an Arbonne Independent Consultant. Such participants may register and purchase Arbonne products as a Client or Preferred Client during this six (6) month period.

2.5. CHANGES TO AN ARBONNE CONSULTANCY

2.5.1. CHANGE OF SPONSOR

To protect the integrity of all SuccessLine organisations and safeguard the hard work of all Arbonne Independent Consultants, Arbonne does not permit the transfer of an Arbonne consultancy from one sponsor to another. Maintaining the integrity of sponsorship is critical for the success of every Arbonne Independent Consultant and SuccessLine organisation.

2.5.2. CANCELLATION AND REAPPLICATION

An Arbonne Independent Consultant may legitimately change organisations by voluntarily cancelling his or her consultancy in accordance with the Agreement and remaining inactive (i.e., no purchases of Arbonne products for resale, no sales of Arbonne products, no recruiting or sponsoring, no attendance at any Arbonne functions, participation in any other form of Arbonne Independent Consultant activity, or operation of any other Arbonne consultancy) for six (6) full calendar months. During this six (6) month period, any spouse or immediate household member of the former Arbonne Independent Consultant must also remain inactive as required by Policy 3.13. Following the six (6) month period of inactivity, the former Arbonne Independent Consultant may reapply under a new sponsor as an Arbonne Independent Consultant. Any purchases of Arbonne products as a Client or Preferred Client will not be deemed activity for purposes of determining if a former Arbonne Independent Consultant has remained inactive.

New Arbonne Independent Consultants may cancel their consultancy in accordance with the Agreement within ten (10) calendar days from the date on which the application is accepted by Arbonne and re-enrol under a new sponsor of their choice.

2.6. ASSIGNMENT OR TRANSFER OF OWNERSHIP OF AN ARBONNE CONSULTANCY

Arbonne Independent Consultants may not sell, assign or otherwise transfer an Arbonne consultancy to a third party other than pursuant to Arbonne's Succession Policy below.

All applications for Arbonne's consent to a proposed assignment should be made in writing and sent to Arbonne's Compliance department via the online contact form available at the "Contact Us" section of the Arbonne website.

2.6.1. SUCCESSION — INHERITANCE OR INCAPACITY

Upon the death or legally adjudicated incapacity of an Arbonne Independent Consultant who has achieved the status of Independent Area Manager or above at the time of his or her death or legally adjudicated incapacity, the consultancy may be passed to the Arbonne Independent Consultant's heir, trustee or other beneficiary as applicable, provided that in the sole judgment and discretion of Arbonne, the Arbonne consultancy, other Arbonne Independent Consultants in the applicable upline or Arbonne would not in any way be adversely affected by such transfer. If Arbonne determines in its sole judgment and discretion that (i) such disposition of an Arbonne consultancy will adversely affect the Arbonne consultancy, other Arbonne Independent Consultants or Arbonne, (ii) the heir, trustee or other beneficiary does not meet the eligibility requirements to register as an Arbonne Independent Consultant, or (iii) the heir, trustee or other beneficiary is in violation of the Agreement, Arbonne may in its sole discretion terminate the applicable Agreement and Arbonne ID, or require trustees of the deceased Arbonne Independent Consultant to nominate an

alternative beneficiary satisfactory to Arbonne.

Appropriate legal documentation must be submitted to Arbonne in connection with any transfer of an Arbonne consultancy by an Arbonne Independent Consultant who holds the paid as rank of Independent Area Manager or above at the time of his or her death or legally adjudicated incapacity. Accordingly, Arbonne encourages each Arbonne Independent Consultant to consult a solicitor to prepare a will, trust or other testamentary instrument, and to include alternative heirs or beneficiaries in the event that a primary beneficiary does not meet Arbonne's expectations or standards.

Upon approval by Arbonne, whenever an Arbonne consultancy is transferred by a will or other testamentary process, the beneficiary or trustee will acquire the right to collect all bonuses, commissions and override payments of the deceased Arbonne Independent Consultant's SuccessLine organisation subject to Arbonne's then applicable policies, and will otherwise assume all the rights and obligations of the deceased Arbonne Independent Consultant under the Agreement, provided the following qualifications are met. The successor(s), beneficiaries or trustee must:

- execute and submit a new and up to date Independent Consultant Application & Agreement and otherwise meet all the eligibility requirements to become an Arbonne Independent Consultant;
- comply with and agree to be bound by the terms and conditions of the Agreement; and
- meet all of the qualifications for the deceased Arbonne Independent Consultant's status.

Subject to the provisions set forth above, to effect a testamentary transfer of an Arbonne consultancy upon the death of an Arbonne Independent Consultant who holds the status of Independent Area Manager or above at the time of his or her death, the successor/beneficiary must provide the following to Arbonne:

- a certified copy of the deceased Arbonne Independent Consultant's will or other testamentary instrument;
- a certified copy of the original Arbonne Independent Consultant's death certificate;
- a completed and properly executed Arbonne Independent Consultant Application & Agreement executed by the successor/beneficiary, and
- an indemnity from the Executor and a written direction from the Executor directing Arbonne to transfer the consultancy to the named successor/beneficiary.

Subject to the provisions set forth above, to effectuate the transfer of an Arbonne Consultancy to a trustee or guardian upon the legally adjudicated incapacity of an Arbonne Independent Consultant who holds the paid as rank of Area Manager or above following his or her legally adjudicated incapacity, the trustee or guardian must provide the following to Arbonne:

- a certified copy of the Court order deciding that the Arbonne Independent Consultant is unable to manage his or her affairs and appointing a guardian and/or trustee to manage his or her affairs;
- a certified copy of the valid trust document or other documents establishing the unqualified right of the trustee or guardian to administer the Arbonne business;
- a completed and properly executed Arbonne Independent Consultant Application & Agreement executed by the trustee or guardian.

Commission cheques or deposits, as applicable, of an Arbonne consultancy transferred pursuant to this Section will be paid in a single payment, as applicable, to the new Arbonne independent Consultant. An Arbonne consultancy is reliant on the leadership ability of the individual Arbonne Independent Consultant. If the consultancy is bequeathed to joint devisees, for the purpose of efficient administration, Arbonne strongly encourages the joint devisees to form a Business Entity. Arbonne will issue all bonuses and commission payments to the

Business Entity and all of the procedures for Business Entities will be taken to apply.

In the case of demonstrated extreme hardship, Arbonne may, at its sole discretion, permit a consultancy of an Arbonne Independent Consultant who has not achieved the status of Independent Area Manager to be devised to his or her heirs.

2.7. ONE CONSULTANCY PER ARBONNE INDEPENDENT CONSULTANT

Arbonne Independent Consultants may have an interest in only one Arbonne consultancy. However, there may be two or more Arbonne independent consultancies per Immediate Household (defined below) so long as the following criteria are satisfied:

- 2.7.1. The other consultancy(ies) in the immediate household (the "junior consultancy(ies)") must be placed on the front line of the first consultancy (the "senior consultancy") in the immediate household;
- 2.7.2. In accordance with the terms & conditions of the Agreement, no one under the age of 18 may be an Arbonne Independent Consultant or otherwise conduct an Arbonne consultancy;
- 2.7.3. The "junior consultancy(ies)" must be a bona fide independent consultancy that is operated by the person listed on the Arbonne independent Consultant Application and Agreement and not by the owner of the "senior consultancy."

An "Immediate Household" includes spouses, cohabitating couples, children under the age of 18, and relatives residing in the same dwelling. Also included in the definition are students attending boarding school, students who are 18 years of age and older, who reside at a university or college during the year, but within the dwelling of their parents or other relatives during other times. Persons such as roommates and tenants who are unrelated by marriage, blood or adoption shall not fall within the definition of an "Immediate Household" and may each have their own Arbonne independent consultancy.

2.8. CROSSLINE SWITCHING

Actual or attempted Crossline Switching is strictly prohibited. "Crossline Switching" includes:

- 2.8.1. The enrolment of an individual or Business Entity who is an active Arbonne Independent Consultant in another line of sponsorship;
- 2.8.2. The enrolment of the spouse or other immediate household member of an active Arbonne Independent Consultant under any sponsor other than as permitted under Policy 2.7;
- 2.8.3. The enrolment of any Business Entity that is owned in whole or in part by an active Arbonne Independent Consultant, the spouse or other immediate household member of an active Arbonne Independent Consultant in another line of sponsorship;
- 2.8.4. The enrolment of a Participant, or the spouse of a Participant in a Business Entity that owns or operates an Arbonne business; or
- 2.8.5. Any artifice or mechanism that has the design or effect of allowing an active Arbonne Independent Consultant, an immediate household member of an active Arbonne Independent Consultant, or a Participant in a Business Entity that is an active Arbonne Independent Consultant, to enrol in any position in any SuccessLine, other than in his or her original SuccessLine, except as permitted pursuant to Policies 2.5.1. and/or 2.5.2.
- 2.8.6. An active Arbonne Independent Consultant is: (a) any individual or Business Entity whose Arbonne Independent Consultant Application & Distribution Agreement or Renewal has been accepted by Arbonne within the preceding 6 calendar months, or (b) an individual or Business Entity that has an Arbonne Independent Consultant Distribution Agreement on file and has placed an order for products or promotional materials as an Arbonne Independent Consultant within the preceding 6 calendar months. Any purchases of Arbonne products as a Client or Preferred Client will not be deemed activity for purposes of determining if a former Arbonne Independent Consultant has remained inactive for 6 months.

If Crossline Switching is discovered by an Arbonne Independent Consultant, it must be brought to the attention of and reported to Arbonne immediately. Arbonne may take action and take enforcement actions against the Arbonne Independent Consultant who switched organisations and/or those Arbonne Independent Consultants who encouraged or participated in the Crossline Switching. Arbonne may also move the offending Arbonne Independent Consultant and/or all or part of the offending Arbonne Independent Consultant's SuccessLine back to his or her original line of sponsorship if, in its sole discretion it deems it equitable and feasible to do so. However, Arbonne is under no obligation to move an offending Arbonne Independent Consultant and/or any or all of the offending Arbonne Independent Consultant's SuccessLine organisation, and the ultimate disposition of the offending Arbonne Independent Consultant and his or her organisation remains within the sole discretion of Arbonne. Because the facts surrounding Crossline Switching cases vary dramatically, each case will be handled on a case by case basis. The registration of a Preferred Client with another SuccessLine organisation will not be deemed to be Crossline Switching. However, any Arbonne Independent Consultant who registers a Preferred Client known by the Arbonne Independent Consultant to have an existing Preferred Client or Arbonne Independent Consultant account with another SuccessLine organisation must adhere to the policies in the Agreement when registering the Preferred Client. Arbonne Independent Consultants who encourage or participate in any recruiting of Preferred Clients in breach of the Agreement may be subject to sanctions by Arbonne. ARBONNE INDEPENDENT CONSULTANTS WAIVE ALL CLAIMS AND CAUSES OF ACTION AGAINST ARBONNE, ITS OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS AND AGENTS THAT ARISE FROM OR RELATE TO THE REORGANISATION OR REPOSITIONING OF A CROSSLINE SWITCHED ARBONNE INDEPENDENT CONSULTANT AND/OR HIS OR HER SUCCESSLINE ORGANISATION.

2.9. POP UP OF SUCCESSLINE ORGANISATION

When a vacancy occurs in a SuccessLine due to the non-renewal, the reclassification to Preferred Customer or Client, the resignation or termination of an Arbonne consultancy, each Arbonne Independent Consultant in the first level immediately below the terminated Arbonne Independent Consultant on the date of the cancellation will be moved to the first level ("front line") of the Arbonne Independent Consultant immediately upline of the terminated Arbonne Independent Consultant. For example, if A sponsors B and B sponsors C1, C2 and C3, if B terminates her consultancy, C1, C2 and C3 will "pop up" to A and become part of A's first level. Any Preferred Clients registered to a terminated Arbonne Independent Consultant will also be moved to become registered Preferred Clients of the immediate upline Arbonne Independent Consultant.

2.10. DIVORCE ACTIONS

In divorce cases, Arbonne shall treat the spouse who signed the Agreement as the owner of the consultancy. Under no circumstances will Arbonne divide commissions, bonuses or other payments, nor will Arbonne divide a SuccessLine organisation between spouses.

Upon entry of a final divorce order, the former spouse may apply as an Arbonne Independent Consultant under any line of sponsorship in accordance with Arbonne's stated procedures, and need not comply with the requirement to be inactive for a period of six (6) calendar months before reapplying.

2.11. REQUESTS FOR RECORDS

An Arbonne Independent Consultant may request Arbonne to provide copies of invoices, applications, downline activity reports or other records. Arbonne may charge a reasonable fee for responding to a request. The fee charged shall cover the expense of mailing and time required to research files and make copies of the records.

SECTION 3 — OPERATING YOUR ARBONNE CONSULTANCY

3.1. OPERATING YOUR CONSULTANCY IN COMPLIANCE WITH THE LAW

Arbonne Independent Consultants shall not engage in deceptive, misleading, or unconscionable conduct or practices that are or might be detrimental to Arbonne, the Arbonne products, or the public, including, without limitation, disparagement of Arbonne or Arbonne products (as discussed in more detail below). Arbonne Independent Consultants shall comply with all laws, rules, regulations and governmental requirements applicable to the operation of their Arbonne business and performance under the Agreement (including these Policies & Procedures), including the marketing, promotion and sale of Arbonne products. Arbonne Independent Consultants shall not participate in any activity which is illegal, or in any way may be deemed detrimental to the Arbonne name, product, opportunity, business, corporate entity or the organisation of an Arbonne Independent Consultant.

3.2. SPONSORS' ASSISTANCE TO SPONSORED ARBONNE INDEPENDENT CONSULTANTS

Arbonne recommends that any Arbonne Independent Consultant who sponsors another Arbonne Independent Consultant into Arbonne consider the benefits of providing assistance and training to the sponsored Arbonne Independent Consultant to ensure that his or her downline has the maximum opportunity to successfully develop their Arbonne consultancy.

3.2.1. SUPPORT

Arbonne Independent Consultants are encouraged to have ongoing contact and communication with the Arbonne Independent Consultants in their downline organisations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voicemail, email, text messages, instant messaging, video chat, social media chat applications, or conferencing and the accompaniment of downline Arbonne Independent Consultants to Arbonne meetings, training sessions and other functions.

3.2.2. TRAINING

Upline Arbonne Independent Consultants are also encouraged to motivate and train new Arbonne Independent Consultants in Arbonne product knowledge, effective sales techniques, the Arbonne SuccessPlan and compliance with Arbonne's Policies & Procedures. Communication with and the training of downline Arbonne Independent Consultants must not, however, violate the policy regarding the development of "Field Training Materials" as defined and described in Policies 3.3.6 and 3.3.7.

3.2.3. INDEPENDENT CONSULTANT TRAINING EVENTS AND MATERIALS

As Arbonne Independent Consultants progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge and understanding of the Arbonne program. They may be invited to share this knowledge with less experienced Arbonne Independent Consultants within their organisation. Arbonne Independent Consultants may not charge their downline or any other Arbonne Independent Consultant for training or require purchase of any sales tools or materials, or require attendance to meetings. Arbonne Independent Consultant sponsored training events must not be operated on a for-profit basis.

3.2.4. TRAINING ON POLICIES & PROCEDURES

Arbonne encourages each Arbonne Independent Consultant to read and understand the most current version of these Policies & Procedures. When sponsoring or enrolling a new Arbonne Independent Consultant, Arbonne recommends that the sponsoring Independent Consultant assist the applicant in accessing the most current version of the Agreement, including without limitation these Policies & Procedures and the Arbonne SuccessPlan, prior to his or her execution of the Agreement.

3.3. ADVERTISING

3.3.1. INDEMNIFICATION

Each Arbonne Independent Consultant is fully responsible for all of his or her verbal and written statements made regarding Arbonne's products, services and the SuccessPlan that are not expressly contained in Tools (as defined below in Policy 3.3.6) produced and distributed by Arbonne. Each Arbonne Independent Consultant agrees to indemnify Arbonne and Arbonne's directors, officers, employees and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorneys' fees, court costs or lost business incurred by Arbonne as a result of the Arbonne Independent Consultant's unauthorised representations or actions regarding Arbonne. This provision shall survive the termination or expiration of the Independent Consultant Agreement.

3.3.2. NO GOVERNMENTAL ENDORSEMENT

Arbonne Independent Consultants shall not represent or imply that Arbonne or its SuccessPlan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

3.3.3. GENERAL ADVERTISING POLICIES

Arbonne Independent Consultants may engage in local advertising in compliance with these Policies & Procedures. Any ad, whether in print, online, radio or television, must be accurate, professional and not misleading or deceptive in any way. Arbonne Independent Consultants are prohibited from advertising or promoting Arbonne's products, services or business opportunity through the use of mass communication methods such as national and international advertising, including through radio, television, facsimile services, classified ads and ads placed in coupon magazines or online (except as permitted by Section 4 - Internet and Social Media Policies).

An Arbonne Independent Consultant may only advertise or promote his or her Arbonne consultancy using advertisements that have been submitted to and approved by the Business Ethics Standards Team or that use ad templates or images acquired from Arbonne. No further approval is necessary to use the ad templates created and provided by Arbonne so long as they are used by the Arbonne Independent Consultant in compliance with these Policies & Procedures. An Arbonne Independent Consultant must obtain prior written approval from the Business Ethics Standards Team for all advertisements relating to his or her Arbonne business that do not utilise the Arbonne created and provided ad templates. Arbonne Independent Consultants may submit requests to the Business Ethics Standards Team via our online contact form available at the Contact Us section of Arbonne's website. If an ad includes contact information, the person identified in the ad must also identify himself or herself as an Arbonne Independent Consultant so that there will be no confusion that he or she represents himself or herself and not the official corporate office. Any request for approval of advertising materials that does not receive specific written approval from the Business Ethics Standards Team shall be deemed denied. No one is authorised to revise, edit or otherwise alter any ad templates provided by Arbonne or any Arbonne Independent Consultant advertising materials that have been approved by Arbonne.

Because Arbonne periodically reviews and revises its Policies & Procedures, Arbonne reserves the right to rescind any previous authorisation given in connection with advertising materials or practices, consistent with Arbonne's current Policies & Procedures. Upon notice of such rescission, each Arbonne Independent Consultant agrees to immediately cease using such advertising materials and/or practices.

3.3.4. USE OF THE ARBONNE NAME, TRADEMARKS, SERVICE MARKS AND LOGOS

The name Arbonne is a registered trademark, is of great value to Arbonne, and is licensed to Arbonne Independent Consultants for use only in an authorised manner. To that end, the Arbonne name and Arbonne's other various trade marks, service marks

and logos have been registered or have pending applications for registration in many jurisdictions. The production of any products, services, Tools or other materials under Arbonne's trade marks, service marks or logos is prohibited without Arbonne's prior written authorisation.

Arbonne Independent Consultants may use the Arbonne name to identify themselves as an Arbonne Independent Consultant in the following manner:

Arbonne Independent Consultant's Name
Arbonne Independent Consultant

Example:

Jane Smith

Arbonne Independent Consultant

Arbonne Independent Consultants wishing to use the Arbonne logo in any communication, including email, must only use the Independent Consultant version of Arbonne's logo created by Arbonne and authorised for Arbonne Independent Consultant use, which can be found by visiting arbonneinternational.com.au.



3.3.5. STATIONERY AND BUSINESS CARDS

Arbonne Independent Consultants may only order Company approved business cards and stationery online through an approved third-party vendor. More information is available through Arbonne's website.

3.3.6. PROMOTIONAL TOOLS AND SALES AIDS

Arbonne Independent Consultants are not required to purchase any promotional, marketing or advertising materials, tools, presentations, sales aids, audio or video recordings or services and the like ("Tools") to advance, become, or remain an Arbonne Independent Consultant, nor are they required to carry inventory of products or Tools for new Arbonne Independent Consultants.

All Tools used by each Arbonne Independent Consultant in his or her consultancy of selling Arbonne products or promoting the Arbonne opportunity must be produced and distributed by Arbonne, to the extent such Tools bear the name, logos and trade marks of Arbonne. This includes printed materials, Internet and other electronic or computer generated media, websites, promotional pieces, product descriptions, photographs, sound recordings, video recordings, CDs or DVDs, streaming or downloadable content. All official Arbonne Tools are copyrighted and may not be reproduced, in whole or in part, by Arbonne Independent Consultants or any other person. No Arbonne Independent Consultant is authorised to revise, edit or otherwise alter any Arbonne Tools. All Tools produced and distributed by Arbonne must be used only for their intended use.

Arbonne Independent Consultants may develop, use, and provide to their SuccessLine, at no charge, their own training to support and provide guidance on how to use Arbonne Tools, or "Field Training Materials", so long as such Field Training Materials do not violate the Agreement (including any Policies & Procedures), laws, regulations, or statutes and conforms with 3.3.7 below. Arbonne Independent Consultants may not sell any Arbonne produced Tools or Arbonne Independent Consultant produced Field Training Materials to other Arbonne Independent Consultants, or accept donations or gratuities in exchange for providing training and/or Field Training Materials. Arbonne reserves the right to review Tools and/or Field Training Materials, which have been created and/or developed by Arbonne Independent Consultants to determine whether such Tools and/or Field Training Materials violate the

Agreement (including any Policies & Procedures) in order to protect Arbonne's rights, reputation and image and to ensure that Arbonne Independent Consultants do not make any unauthorised or misleading or deceptive claims.

Arbonne Independent Consultants may not develop, produce or distribute Tools or Field Training Materials that are confusingly similar in nature to those produced, published and provided by Arbonne, and may not imply or suggest that such Tools or Field Training Materials originate from Arbonne or are endorsed by Arbonne. Only Tools produced by Arbonne are permitted to carry the Arbonne Official Seal.



The Arbonne Official Seal

Because Arbonne periodically reviews and revises its Policies & Procedures, Arbonne reserves the right to rescind any previous authorisation that was given in connection with Arbonne Independent Consultant-produced Tools, Field Training Materials, promotional materials, or other practices, consistent with Arbonne's current Policies & Procedures. Upon notice of such rescission, each Arbonne Independent Consultant agrees to immediately cease using such Tools, Field Training Materials, promotional materials or practices.

3.3.7. DISCLAIMER FOR ARBONNE INDEPENDENT CONSULTANT PRODUCED FIELD TRAINING MATERIALS OR ADVERTISEMENTS

Pursuant to the Agreement, each Arbonne Independent Consultant must not make any misleading or deceptive statements.

Field Training Materials and advertisements used by Arbonne Independent Consultants that have been produced independently of Arbonne are required to include a conspicuous disclaimer (in the terms set out below) noting that the Field Training Material or advertisement has been produced by the individual Arbonne Independent Consultant responsible and not by Arbonne:

This field training MATERIAL (or advertisement) HAS BEEN PRODUCED BY <NAME OF INDEPENDENT CONSULTANT>, AN ARBONNE INDEPENDENT CONSULTANT, AND IS NOT OFFICIAL MATERIAL PREPARED OR PROVIDED BY ARBONNE. ARBONNE MAKES NO PROMISES OR GUARANTEES THAT ANY INDEPENDENT CONSULTANT WILL BE FINANCIALLY SUCCESSFUL AS EACH INDEPENDENT CONSULTANT'S RESULTS ARE DEPENDENT ON HIS OR HER OWN SKILL AND EFFORT.

ACTUAL FINANCIAL RESULTS OF ALL ARBONNE INDEPENDENT CONSULTANTS FOR THE PREVIOUS YEAR ARE CONTAINED IN ARBONNE'S INDEPENDENT CONSULTANT COMPENSATION SUMMARY, WHICH IS INCLUDED WITH THESE MATERIALS. YOU MAY ALSO VIEW THE INDEPENDENT CONSULTANT COMPENSATION SUMMARY ON ARBONNE'S OFFICIAL WEBSITE AT arbonneinternational.com.au

3.3.8. AUDIO AND VIDEO RECORDINGS

Arbonne Independent Consultants may make audio or video recordings of speeches, discussions or presentations made by any Arbonne company officer, authorised agent, representative or employee, provided that they have first obtained written authorisation by an Arbonne officer. Any use or publication of that audio or video recording (including by any electronic means) must be separately and specifically authorised by an Arbonne officer. Any unauthorised audio or video recording shall be the property of Arbonne and shall, at Arbonne's option and request, be either delivered to Arbonne or all copies destroyed, at the Arbonne Independent Consultant's expense.

3.3.9. MEDICAL CLAIMS AND PRODUCT TESTIMONIALS

Arbonne Independent Consultants must not make any claims about any Arbonne products, either orally or in print, other than those presented in official Arbonne Tools. Arbonne Independent Consultants must not make any oral or written medical, therapeutic or curative claims (which include personal testimonials) about any Arbonne products. Arbonne Independent Consultants may not make any claim that Arbonne products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as therapeutic, medical or drug claims. Not only are claims of this nature in breach of the Policies & Procedures, but they potentially breach the law. If a Client is under a physician's care for current medical treatment, Arbonne Independent Consultants are advised to recommend the Client seek the advice of their physician before undertaking any changes in diet.

3.3.10. INCOME REPRESENTATIONS

The financial success of an Arbonne Independent Consultant depends entirely upon that Independent Consultant's individual effort, dedication and the training and supervision the Independent Consultant provides to his or her SuccessLine and Arbonne consultancy. Arbonne Independent Consultants shall not make claims or representations of potential or guaranteed income or profits in connection with an Arbonne consultancy. Any amounts earned through an Arbonne consultancy are based only on the sale of Arbonne products and not on the mere act of sponsoring other Arbonne Independent Consultants.

Arbonne publishes on an annual basis an Independent Consultant Compensation Summary. That Summary provides information on the average overrides and bonuses that are paid to active Arbonne Independent Consultants. The Summary is available on Arbonne's website.

Arbonne Independent Consultants may not make any projections, claims or estimates regarding any other Arbonne Independent Consultant's potential or guaranteed income from an Arbonne consultancy. Hypothetical income examples that are used to explain the operation of the SuccessPlan, which are based solely on mathematical projections and compliant with this provision, may be presented to potential recruits, so long as Arbonne Independent Consultants who use hypothetical examples make clear to the prospects that the stated earnings are hypothetical and presents a copy of Arbonne's Independent Consultant Compensation Summary and the disclaimer set forth below. Arbonne Independent Consultants may disclose to potential recruits their actual earnings, prizes or results, but only if all of the following requirements are satisfied: (1) they have documentation available to verify their income claims; (2) they provide a copy of the latest Independent Consultant Compensation Summary in conjunction with any income representation; and (3) they fully and accurately disclose their business expenses incurred in achieving the income, prize or result as such expenses are claimed on their tax return.

In addition, Independent Consultants must make the following disclaimer in conjunction with any earnings claims:

THERE ARE NO GUARANTEES REGARDING INCOME, AND THE SUCCESS OR FAILURE OF EACH ARBONNE INDEPENDENT CONSULTANT, LIKE ANY OTHER BUSINESS, DEPENDS ON EACH ARBONNE INDEPENDENT CONSULTANT'S OWN SKILLS AND PERSONAL EFFORT. YOU SHOULD NOT RELY ON THE RESULTS OF OTHER ARBONNE INDEPENDENT CONSULTANTS AS AN INDICATION OF WHAT YOU SHOULD EXPECT TO EARN.

"Lifestyle" claims (e.g., "My Arbonne business has allowed my spouse to be a full-time homemaker; my Arbonne commissions have allowed me to fulfill my dreams; my income from Arbonne exceeded the income from my previous job after only ___ months"), are considered to be equivalent to income claims. Similarly, hypothetical income charts that are used to illustrate the commission structure are also considered to be analogous to income claims. Accordingly, the Income Disclaimer referenced above and a copy of Arbonne's Independent Consultant

Compensation Summary should be provided whenever "Lifestyle" claims are made by Arbonne Independent Consultants in the field.

3.3.11. PRINT OR ONLINE DIRECTORY LISTINGS

Arbonne Independent Consultants may place print or online directory listings referring to Arbonne, by listing their name, Arbonne Independent Consultant, title, phone number, website address, and/or email address in the directory. Such listings must be accompanied by the words "Arbonne Independent Consultant" and may only use the Arbonne Independent Consultant logo.

3.3.12. RECORDED MESSAGES AND EMAILS

An Arbonne Independent Consultant may not have voice-mail, answer his or her telephone or send an email communication in a manner that would lead the caller or reader to believe that he or she has reached any official corporate office of Arbonne. When using the Arbonne name, Independent Consultants must say "Arbonne Independent Consultant."

3.4. RIGHT OF PUBLICITY AUTHORISED

Each Arbonne Independent Consultant authorises Arbonne to use his or her name, photo, personal story, in print, audio, video and other media, including in digital marketing, to promote Arbonne's products or the Arbonne opportunity. Arbonne Independent Consultants waive all claims to remuneration for such use.

3.5. MEDIA INQUIRIES

Any inquiries by the media or press (including blogs and online news sites/forum) should be referred immediately to Arbonne's head offices at communications@arbonne.com. To preserve a consistent public image for the benefit of Arbonne and all Arbonne Independent Consultants, Arbonne Independent Consultants are not authorised to speak to the media on behalf of Arbonne or represent to the media that they are authorised to speak on behalf of Arbonne. Additionally, Arbonne Independent Consultants shall not pro-actively contact the media or any celebrity or distribute any form of press release that includes information about Arbonne, its products or the Arbonne opportunity on behalf of Arbonne without prior written authorisation from Arbonne. If an Arbonne Independent Consultant has a contact that he or she thinks would benefit Arbonne, he or she may share it with Arbonne at communications@arbonne.com.

3.6. USE OF IDEA SUBMISSIONS AUTHORISED

Arbonne shall have the right to use any ideas, suggestions, photos, images, written material videos or testimonials submitted to Arbonne by an Arbonne Independent Consultant in any manner that Arbonne deems appropriate, in any media including print, online, or other means. This includes without limitation submissions for purposes of entering a contest or incentive sponsored by Arbonne, participation in a request for feedback or product test, and unsolicited or solicited material. Any submissions, including any quotes, testimonials, stories, conversations on social networking media and/or the arbonne.com forum or blog, become the property of Arbonne upon submission. Each Arbonne Independent Consultant waives all claims for any compensation whatsoever in the event Arbonne elects to use any submissions and consents to any use of the submission by Arbonne which might otherwise infringe their moral rights but for the consent.

An Arbonne Independent Consultant may only submit ideas and/or material to Arbonne if he or she has obtained appropriate copyright and other permission to submit those materials, and permits Arbonne to use those materials without restriction. Each Arbonne Independent Consultant agrees that he or she will not violate or infringe upon the rights of third parties, including privacy, publicity, and intellectual and proprietary rights, such as copyright or trade mark rights.

3.7. TARGETING REPRESENTATIVES OF OTHER DIRECT SALES COMPANIES PROHIBITED

It is against Arbonne policy to specifically and consciously target members of the sales force of another direct sales company to sell or work for Arbonne. Arbonne will not pay for the legal or defence costs, or agree to indemnify any Arbonne Independent Consultant who violates this policy. Also, if you encourage a prospect to breach or violate any

agreement to which he or she is a party, you bear the risk of involvement in litigation. Arbonne will not pay any of your defence costs or legal fees, nor will Arbonne indemnify you if you are held liable.

3.8. CONFLICTS OF INTEREST

Arbonne Independent Consultants are free to participate in other business ventures or marketing opportunities except as set forth below.

3.8.1. OTHER SELLING ACTIVITIES

Arbonne Independent Consultants may engage in other business ventures, including selling activities related to non-Arbonne products, services or business opportunities if they desire to do so, but they may not take advantage of their knowledge of, or association with, other Arbonne Independent Consultants whom they did not personally sponsor in order to promote or sell non-Arbonne products, services or opportunities. In addition, Arbonne Independent Consultants shall not offer any non-Arbonne products, services, incentives, opportunities or business plans in conjunction with Arbonne's products or business plan or at any Arbonne conference call, meeting, seminar, launch, convention or other Arbonne function.

3.8.2. CROSS-COMPANY RECRUITING AND ENTICEMENT

During the term of an Arbonne Independent Consultant's Agreement and all renewals thereof, and for a period of one year after termination, cancellation or expiration of the Arbonne Independent Consultant's Agreement for any reason, each Arbonne Independent Consultant shall not:

- Recruit (see definition of "Recruit" in Section 11) any Arbonne Independent Consultant whom he or she did not personally sponsor to (a) join or participate in another direct selling, social selling, multilevel or network marketing (collectively "direct selling") company, or (b) sell or promote products, services or business opportunities from another "direct selling" company; or
- Encourage or attempt to influence or induce an Arbonne Independent Consultant to cancel or alter his or her relationship with Arbonne.

Any conduct of this nature constitutes an unwarranted and unreasonable interference with the business of other Arbonne Independent Consultants and Arbonne.

In addition, if an Arbonne Independent Consultant appears in, is referenced in, or allows his or her name or likeness to be featured or referenced in any promotional, recruiting or solicitation materials in any medium or method of distribution for another direct selling company during the term of the Arbonne Independent Consultant's Agreement and all renewals thereof, this shall constitute Recruiting for the purposes of this Section 3.8.2.

Further, if Arbonne determines that an Arbonne Independent Consultant with a rank of Regional Vice President or above is participating in any program, product, service or business opportunity of a direct selling company in the same generic product or service categories as offered by Arbonne, regardless of cost differences, quality or other distinguishing factors, then Arbonne may immediately revoke the rank of such Arbonne Independent Consultant and reclassify him or her to the rank of Independent Consultant.

Arbonne Independent Consultants that violate this Conflict of Interest policy, including but not limited to any Regional Vice President or above that is reclassified to the Independent Consultant rank as described above, may also be subject to the action set forth in Sections 3.10 and 9.3 of the Policies & Procedures.

The provisions of this Section 3.8 shall survive the termination, cancellation or expiration of the Agreement.

3.9. CONFIDENTIAL INFORMATION

All Arbonne Independent Consultant genealogical, SuccessLine, downline or group lists or business reports (collectively SuccessLine Activity Reports) are confidential, proprietary information of Arbonne, and constitute a business trade secret belonging to Arbonne. SuccessLine Activity Reports contain critical data relating to the identities of Arbonne Independent Consultants, Clients, sales information and sponsoring

activity of each Arbonne Independent Consultant's SuccessLine. They are provided to Arbonne Independent Consultants by Arbonne in strictest confidence and are made available to Arbonne Independent Consultants for the sole purpose of supporting their Clients and the Arbonne Independent Consultants in their SuccessLine organisation to further develop their Arbonne consultancy. Arbonne Independent Consultants agree to allow personal information, which they have collected or relating to him/her to be included in the SuccessLine Activity Reports provided to their upline. Every Arbonne Independent Consultant who is provided this information must treat it as confidential and take care to maintain its confidentiality and refrain from using it for any purpose other than the management of his or her SuccessLine. As an Arbonne Independent Consultant, each Arbonne Independent Consultant will have access to confidential information that he or she acknowledges to be proprietary, highly sensitive and valuable to Arbonne's business, which information is being made available to the Arbonne Independent Consultant solely and exclusively for purposes of furthering the sale of Arbonne products and prospecting, training and sponsoring third parties who wish to become Arbonne Independent Consultants, and to further build and promote his or her Arbonne consultancy.

The Arbonne Independent Consultant and Arbonne agree that, but for this agreement of confidentiality and nondisclosure, Arbonne would not provide SuccessLine Activity Reports or other Arbonne confidential information to the Arbonne Independent Consultant. During any term of the Agreement, and for a period of five years after the termination or expiration of the Agreement between the Arbonne Independent Consultant and Arbonne, for any reason whatsoever, the Arbonne Independent Consultant shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

1. Disclose any Arbonne confidential information, including information contained in any SuccessLine Activity Report, to any third party directly or indirectly;
2. Directly or indirectly disclose the password or other access code to his or her SuccessLine Activity Report;
3. Use the SuccessLine Activity Report or any other Arbonne confidential information to compete with Arbonne, engage in activity in violation of Section 3.8 of the Policies & Procedures or for any purpose other than promoting Arbonne; nor
4. Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any SuccessLine Activity Report obtained while the Agreement was in effect.

The provisions of this Section 3.9 shall survive the termination, cancellation or expiration of the Agreement.

3.10. REMEDIES FOR DISCLOSURE OF CONFIDENTIAL INFORMATION AND VIOLATION OF CONFLICTS OF INTEREST

Each Arbonne Independent Consultant acknowledges that Arbonne would suffer irreparable harm as a result of any unauthorised disclosure or use of Arbonne's confidential information, including any SuccessLine Activity Report, or recruitment or solicitation of Arbonne Independent Consultants for another "direct selling" company in violation of Sections 3.8 and 3.9 of the Policies & Procedures, and that monetary damages are insufficient to compensate Arbonne for such harm. Therefore, if any Arbonne Independent Consultant is in breach of these Sections, Arbonne is entitled to seek an injunction or temporary restraining order, without notice to the relevant Arbonne Independent Consultant, restraining any unauthorised disclosure or use of the confidential information or any recruiting or soliciting in violation of Sections 3.8 or 3.9 in addition to any other available remedy, including damages. In any such action, if Arbonne prevails, each Arbonne Independent Consultant agrees that he or she will reimburse Arbonne for its costs and reasonable attorneys' fees incurred in connection with taking the legal action.

The provisions of this Section 3.10 shall survive the termination, cancellation or expiration of the Agreement.

3.11. NON-DISPARAGEMENT

Arbonne welcomes constructive input regarding the Arbonne opportunity and Arbonne products, but publicly communicated negative

comments and remarks by Arbonne Independent Consultants about Arbonne, Arbonne products, the Arbonne opportunity, Arbonne employees or other Arbonne Independent Consultants serve no purpose other than to undermine the enthusiasm of other Arbonne Independent Consultants. Arbonne Independent Consultants must not disparage Arbonne, other Arbonne Independent Consultants, Arbonne's products or services, the SuccessPlan, Arbonne's employees or those of any other competing company. Disparagement of Arbonne shall constitute a material breach of the Agreement and may result in termination.

3.12. REPACKAGING ARBONNE PRODUCTS

Should any products received by an Arbonne Independent Consultant show signs of tampering, Arbonne recommends that the Arbonne Independent Consultant return those products immediately to Arbonne for a full refund or replacement in accordance with the Terms & Conditions of sale of the affected products. Arbonne products may only be sold in their original packaging. Arbonne Independent Consultants shall not repackage, re-label, or tamper in any way with any product packaging. "Testers" should be clearly marked as such and should not be sold.

3.13. ACTIONS OF HOUSEHOLD MEMBERS

If any member of an Arbonne Independent Consultant's immediate household engages in any activity which, if performed by the Independent Consultant, would violate any provision of the Independent Consultant Agreement, including these Policies & Procedures, that activity will be deemed a violation by the Arbonne Independent Consultant and Arbonne may take action pursuant to the Agreement against the Arbonne Independent Consultant. Similarly, if any individual associated in any way with a Business Entity violates the Agreement, that action(s) will be deemed a violation by the Business Entity and Arbonne may take action against the Business Entity.

3.14. COMMERCIAL OUTLETS

3.14.1. RETAIL OUTLETS

Arbonne is a person-to-person marketing company. Presentations, business meetings and personal contacts of Arbonne Independent Consultants are the primary permissible venues where Arbonne products and the opportunity are intended to be presented. Arbonne does not authorise its products to be sold or displayed in retail outlets. Arbonne products may not be displayed and/or sold to the general public in any office or business/commercial outlet, or through home shopping network programs (e.g., HSN, QVC).

Examples of outlets that may not sell Arbonne products or display Arbonne Tools or other promotional materials include, but are not limited to: department stores, beauty supply stores, supermarkets, drug stores, health food stores, discount establishments, swap meets, mall carts, kiosks and flea markets.

As a limited exception to the foregoing rule, product may be sold or displayed (provided the product is not displayed in public view, such as in a window display) in: (1) offices and other areas located in private clubs or membership only gyms that are not accessible to, or in view of, the general public; or (2) the private offices of professionals who operate by appointment only (e.g., doctors, dentists, chiropractors, etc.) and beauty salons. Notwithstanding this exception, products from other "direct selling" companies in the same generic product or service categories as offered by Arbonne, regardless of cost differences, quality or other distinguishing factors, may not be presented and sold by an Arbonne Independent Consultant in these private clubs, gyms, offices and salons.

Approval, at Arbonne's sole discretion, will not be given for venues that are not conducive to the professional image Arbonne wishes to portray. Arbonne products may not be sold or displayed in any other public retail/service locations.

3.14.2. EXHIBITS AND TRADESHOWS

An Arbonne Independent Consultant may not sell or promote Arbonne products on the premises of any ongoing or frequently recurring event, except at events limited in duration with an environment promoting Arbonne's standard of excellence, such as, but not limited to, state fairs, holiday boutiques, school carnivals,

health fairs, conventions, tradeshow, bridal shows, modeling shows and pageants.

Arbonne reserves the right to prohibit an Arbonne Independent Consultant's ability to sell through a commercial outlet if the Arbonne Independent Consultant or outlet is presented, or engages, in any activity that in Arbonne's sole discretion is not in Arbonne's best interests.

3.14.3. NO WHOLESALING PRODUCTS

Arbonne Independent Consultants are prohibited from selling to persons, either directly or indirectly, who ultimately (i) resell the Arbonne products through a retail store, (ii) resell the Arbonne products over the Internet, regardless of the form of Internet distribution channel, (iii) import the Arbonne products into a country that is not an Authorised Country (as defined in Policy 3.16), or (iv) use any other method of distribution that violates the primary purpose of the direct selling and/or multi-level marketing business and that of Arbonne. Each Arbonne Independent Consultant must take reasonable steps to ensure that persons who purchase Arbonne products from him or her do not violate this Policy 3.14.3.

3.15. TERRITORIES

By signing the Arbonne Independent Consultant Application & Agreement, an Independent Consultant may sell, sponsor, train and build his or her business anywhere within Australia, and any other country in which Arbonne is authorised to conduct business as announced from time to time in official Arbonne literature (the "Authorised Countries"). There are no restrictions on the location of an Arbonne Independent Consultant's territory within any of the Authorised Countries.

3.16. SALES IN AUTHORISED COUNTRIES ONLY

Arbonne Independent Consultants are authorised to sell Arbonne products and enroll Clients or Arbonne Independent Consultants only in the Authorised Countries. In all instances, Arbonne Independent Consultants must comply with any and all applicable laws, regulations, and requirements, as well as Arbonne's requirements for doing business internationally. Arbonne products purchased in Australia cannot be delivered or sold in any foreign country for the purpose of resale. Arbonne products purchased by Arbonne Independent Consultants for resale in another Authorised Country must be purchased from Arbonne in that country for delivery within that country. No Arbonne Independent Consultant may sell, give, transfer, import, export or distribute Arbonne products or Tools in any unauthorised country. In addition, no Arbonne Independent Consultant may, in any unauthorised country: (a) conduct sales, enrolment or training meetings; (b) enroll or attempt to enroll potential Clients or Arbonne Independent Consultants; or (c) conduct any other activity for the purpose of selling Arbonne products, establishing a SuccessLine organization or promoting the Arbonne opportunity.

Any Arbonne Independent Consultant who operates an Arbonne business that is not in compliance with this Policy shall forfeit any commissions, bonuses or other forms of compensation or rewards earned as a result and shall indemnify Arbonne for any damages, costs or losses sustained as a result of Arbonne Independent Consultant's failure to comply. In addition, Arbonne may, at its sole discretion, suspend the purchasing privileges or terminate the Independent Consultant Agreement of any Arbonne Independent Consultant who violates this policy.

3.17. BUSINESS REFERRALS AND LEADS FROM CORPORATE WEBSITE OR CUSTOMER SERVICE

Arbonne's marketing and public relations efforts will primarily direct potential Clients and independent consultants to our official corporate website, arbonneinternational.com.au. While on the official corporate website, the potential Client or independent consultant may learn more about products and the Arbonne opportunity. Arbonne will allocate leads from the corporate website or 1800 650 760 (Customer Service) calls to qualifying Arbonne Independent Consultants. These leads may be requests from Clients for more information about Arbonne or learning more about the Arbonne opportunity, sponsoring assignments for new Arbonne Independent Consultants that did not request assignment to a particular Sponsor during the application process and corporate referral

orders for Client orders placed on our corporate website when the Client has not indicated a particular Arbonne Independent Consultant. Leads and assignments will be given to an Arbonne Independent Consultant based on criteria determined by Arbonne in its sole discretion. If a qualified Arbonne Independent Consultant is assigned a new Arbonne Independent Consultant and does not wish to coach the newly assigned Arbonne Independent Consultant, Arbonne reserves the right to reassign the new Arbonne Independent Consultant to the next closest qualified Arbonne Independent Consultant (rather than the original Sponsor's upline) upon such notification.

3.18. SPONSORING AND REGISTRATION

The Arbonne Independent Consultant who makes an initial contact with a potential new Arbonne Independent Consultant or Preferred Client is usually the one who sponsors or registers him or her; however, if several Arbonne Independent Consultants contact the same individual, only the Arbonne Independent Consultant who is specified in the Independent Consultant Application & Agreement or Preferred Client registration submitted to Arbonne by the prospective Arbonne Independent Consultant or Preferred Client will be deemed his or her sponsor or registering Arbonne Independent Consultant. All Arbonne Independent Consultants have the right to sponsor others to become Arbonne Independent Consultants and register Preferred Clients.

3.19. ARBONNE INDEPENDENT CONSULTANT SPONSORED PROMOTIONS AND INCENTIVES

Arbonne Independent Consultants may offer personal recognition for Arbonne Independent Consultants in their SuccessLine organizations, as long as those programs are not recruitment based bonus plans (commonly referred to as "head hunting" plans) or could cause Arbonne Independent Consultants to purchase excess inventory. Because there are varying laws that govern contests, each Arbonne Independent Consultant is responsible for ensuring that his or her activities are legally permissible.

3.20. TELEPHONE AND MASS MEDIA SOLICITATION

Arbonne Independent Consultants shall not use any form of automatic calling devices or telemarketers who use illegal or high pressure sales tactics in connection with their Arbonne consultancy. Arbonne Independent Consultants must comply with the laws and regulations applicable to unsolicited telephone and fax solicitations. Arbonne Independent Consultants are not authorised to engage in telemarketing activities on Arbonne's behalf. If an Arbonne Independent Consultant decides to engage, on his or her own behalf, in any type of telephone or fax solicitation, it is his or her responsibility to comply with applicable laws. Arbonne cannot give any Arbonne Independent Consultant legal advice and recommends that all Arbonne Independent Consultants seek advice before engaging in telemarketing activities.

3.21. DATA SECURITY AND PRIVACY

Data security and privacy depends on YOU. All Arbonne Independent Consultants must adopt, implement and maintain appropriate administrative, technical and physical safeguards to protect against foreseeable threats or hazards to the security of SuccessLine Activity Reports, including without limitation any Client data, including but not limited to data that personally identifies the Client, such as payment information, name, address, email address and phone number. For purposes of this policy, Clients include any Preferred Clients. Appropriate safeguards for electronic and paper records may include, but are not limited to: (i) encrypting data before electronically transmitting it, (ii) storing records in a secure location, and (iii) password protecting computer files or locking up physical files containing SuccessLine Activity Reports. Without limiting the preceding sentence or the provisions of Section 3.9 regarding confidential information, Arbonne Independent Consultants must keep SuccessLine Activity Reports, Client data and other confidential information secure from all persons who do not have legitimate business needs to see or use that information. Arbonne Independent Consultants should maintain Client data for only so long as there is a legitimate business need or as required by applicable law. If Arbonne Independent Consultants dispose of any paper or electronic record containing SuccessLine Activity Reports, Client data and other confidential information, Arbonne Independent Consultants shall do so by taking such steps as are reasonable to destroy the information by (i) shredding, (ii) permanently erasing and deleting, or (iii) otherwise modifying

the Client data and other confidential information in those records to make it unreadable, unreconstructible, and indecipherable through any means. Upon request, Arbonne Independent Consultants will certify to Arbonne that all forms of the requested personal information have been destroyed and will describe any exceptions.

Arbonne Independent Consultants must comply with all applicable privacy and data security laws, including security breach notification laws and protection of any Client's personal information. Without limitation of the preceding sentence, in the event of an actual or suspected security breach affecting Client data, the applicable Arbonne Independent Consultants shall promptly within 48 hours notify the applicable Clients and Arbonne's Business Ethics Standards Team in writing after becoming aware of any security breach and specify the extent to which Client data was or was suspected to be disclosed or compromised and shall promptly comply with all applicable information security breach disclosure laws. Consultants may submit that notice to the Business Ethics Standards Team via the online contact form available at Arbonne's website at arbonneinternational.com.au. Arbonne Independent Consultants, at their expense, shall cooperate with Arbonne and applicable Clients, and use their best efforts to mitigate any potential damage caused by a breach of their obligations under the Agreement applicable to Client data, including by sending notice to the affected individuals, state agencies and consumer reporting agencies, if such notification is required by law.

For the purpose of this section, a "security breach" means a breach of security or an unauthorized disclosure, access, acquisition or use of customer data or any confidential information of Arbonne, including such access or acquisition as a result of theft, hacking or inadvertent error. "Client data" means all data and information submitted by a Client or potential Client to a Consultant in connection with a purchase of Arbonne products or otherwise including, without limitation, such Client's name, address, phone number, and financial account information, products ordered and order volume.

3.22. NON-INTERFERENCE WITH ARBONNE PRODUCT DEVELOPMENT AND MANUFACTURE.

The development and manufacture of Arbonne products is solely within Arbonne's authority. Arbonne Independent Consultants shall not contact or communicate with manufacturers, suppliers and/or vendors of Arbonne products relating to the development, manufacture, or sale of Arbonne products without the prior written consent and authorisation from Arbonne's chief legal officer. Arbonne Independent Consultants are prohibited from procuring, or seeking to procure, directly or indirectly, any financial or personal gain from any manufacturer, supplier and/or vendor of Arbonne products relating to the development, manufacture, or sale of Arbonne products.

SECTION 4 — INTERNET AND SOCIAL MEDIA POLICIES

4.1. ARBONNE REPLICATED WEBSITE PROGRAM

Arbonne's Replicated Website Program is available to any Arbonne Independent Consultant to establish a business presence online and start automating specific business tasks. With an Arbonne Replicated Website directly linked to an Arbonne ID, eligible Arbonne Independent Consultants can sell Arbonne products, sponsor new Arbonne Independent Consultants, register Preferred Clients and Clients online, and receive online Client referrals from arbonneinternational.com.au, view reporting and tracking of sales from the website, select a personal website address. Preferred Clients and Clients are not eligible to participate in the Arbonne Replicated Website Program. Any Arbonne Independent Consultant that is reassigned to Preferred Client or Client status (i.e., if he or she does not meet the 12 in 12 Independent Consultant Maintenance Requirement set forth in the SuccessPlan) and has an Arbonne Replicated Website at the time of reassignment, will not be able to use that website which will be made inactive so long as he or she is a Preferred Client or Client, even if he or she subscribed to a longer Arbonne Replicated Website account period while an Arbonne Independent Consultant.

By participating in the Arbonne Replicated Website Program, each subscriber agrees to abide by all of the terms and conditions for use of Arbonne's website, including the Website Terms & Conditions and Privacy Policy.

4.1.1. REPLICATED WEBSITE REQUIREMENTS

In order to protect Arbonne's brands, trade marks and other intellectual property, as well as its reputation, Arbonne Independent Consultants are required to comply with the following Replicated Website requirements:

- Website content and images must comply with all of Arbonne's Policies & Procedures.
- The words "Arbonne Independent Consultant" must be on the homepage along with the Independent Consultant's name or business entity.
- In no way should the site give the impression of representing Arbonne, the company, rather than an Arbonne Independent Consultant. This includes using Arbonne or Arbonne International as the title for any page within the website, especially the Home Page.
- Websites cannot include any product or opportunity information offered by any company other than Arbonne.
- Except for the link to Arbonne's website or any fan or business page on a social network clearly identified as an Arbonne Independent Consultant, websites may not have external links.
- Selling Arbonne products online outside of the Arbonne Replicated Website Program is strictly prohibited.
- Sponsoring Arbonne Independent Consultants or registering Preferred Clients online via an electronic signature application or online form is not permitted outside of the Arbonne Replicated Website Program.
- Arbonne Independent Consultants may use images provided by Arbonne from arbonneinternational.com.au and should keep images current and remove any images no longer available from Arbonne. People or model images (other than Arbonne Independent Consultants or Arbonne employees) cannot be downloaded or copied due to copyright laws.
- Copy downloaded from arbonneinternational.com.au or taken from printed Arbonne literature must be used exactly as printed or written. Changing a word or two may change the real meaning or definition.
- Websites that contain earning claims must include the Income Disclaimer found in Policy 3.3.10 and a link to the Independent Consultant Compensation Summary at arbonneinternational.com.au.
- Websites should not present false or misleading information about Arbonne, the Arbonne opportunity or your relationship with Arbonne.
- Website must not contain medical claims or statements as outlined in Policy 3.3.9.
- Arbonne Independent Consultants may not publish, post or distribute any material on their websites or in connection with Arbonne that is defamatory, libellous, disparaging, threatening, offensive, harassing, abusive, obscene, pornographic, in violation of applicable law, or that inhibits others from enjoying the Arbonne website or Independent Consultant websites.
- Arbonne Independent Consultants may not violate or infringe the rights of others, including privacy, publicity and proprietary rights.
- Arbonne Independent Consultants agree not to interfere or take action that results in interference with or disruption of the Arbonne or Independent Consultant Replicated Websites or servers or networks connected to the foregoing. Arbonne Independent Consultants agree not to attempt to gain unauthorised access to computer systems or networks connected to the foregoing.
- It is the sole responsibility of each Arbonne Independent Consultant to ensure that his or her website fully complies with Arbonne's Internet policies, as well as with all applicable federal and state rules and regulations.

- All websites must clearly and conspicuously identify the owner of the site as an Arbonne Independent Consultant for Arbonne. No blind sites are permitted.
- Websites must appropriately represent and enhance the Arbonne brand.
- Arbonne Independent Consultants may not use Arbonne or any derivative or misspelling thereof in the website extension. Additionally, using a generic extension like "shop," "skincare," "wellness," or geographic locations, such as city names or major regions, etc., is not permitted. For example, the extension can be arbonne.com/janesmith, arbonne.com/jsmith or arbonne.com/janes. Arbonne Independent Consultants cannot use any name like arbonne.com/skincare, arbonne.com/shop, arbonne.com/janesellsarbonne or arbonne.com/newyork. Arbonne reserves the right to change any Arbonne Replicated Website extension if does not relate to an Independent Consultant's name.
- Arbonne Independent Consultants shall only use the URL assigned to their Arbonne Replicated Website to direct traffic to that site. Except for URL shorteners which are permitted to direct to an Independent Consultant's replicated website, Arbonne Independent Consultants shall not use any other domain name or URL and redirect Web traffic to their Arbonne Replicated Website from such other URL.

Arbonne reserves its rights to take such steps, at its sole discretion, to enforce compliance with these requirements.

ARBONNE DISCLAIMS ANY AND ALL LIABILITY ARISING OUT OF OR RELATED IN ANY WAY TO ARBONNE REPLICATED WEBSITES. Arbonne Independent Consultants will be held responsible for any statements or other content that is posted on Independent Consultants' websites or email, including liability for harm caused by such statements or material. Arbonne reserves the right to receive analytics and information regarding the usage of any Arbonne Replicated Website.

4.2. BLOGS

A blog, or website developed on a blogging platform, that is developed for the primary purpose of marketing or promoting Arbonne, its products or opportunity is not permitted. This does not include blogs created by an Arbonne Independent Consultant or others that are developed primarily for other purposes that mention Arbonne.

4.3. WEBSITE DOMAIN NAMES, EMAIL ADDRESSES AND ONLINE ALIASES

Arbonne Independent Consultants are not permitted to use or register any of Arbonne's trade marks, product names or any derivatives, whether abbreviated or not, for any Internet domain name, email address, social networking profile, or online alias. Additionally, Arbonne Independent Consultants are not permitted to use or register domain names, email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of, Arbonne. Examples of the improper use of Arbonne are: arbonnegirl@gmail.com; isellarbonne.com; facebook.com/Arbonnefan; arbonne.com/official, or Arbonne showing up as the sender of an email.

4.4. USE OF SOCIAL NETWORKING MEDIA

4.4.1. SOCIAL NETWORKING SITES

Arbonne Independent Consultants may use social networking sites (such as Facebook, Twitter, LinkedIn, forums and other social shared interest sites) so long as they adhere to the requirements set forth in this Policy as well as Arbonne's policies relating to Advertising (Section 3), comply with the terms of use of those sites (including any restrictions on commercial use), and do not use sites which are intended for use primarily by those below 18 years of age. Any site or profile that an Arbonne Independent Consultant maintains that uses Arbonne's trade marks must exclusively promote Arbonne.

Arbonne Independent Consultants may not create a fan page on Facebook, Twitter, Instagram, Pinterest or any other social media site that appears to be the Arbonne home office. However, they may create a site that includes the term "Arbonne Independent

Consultant” in the name. They cannot use the word “official” or anything similar or any specific geographic location. If an Arbonne Independent Consultant links to his or her Arbonne Replicated Website on a social networking site, she or he must clearly be identified as an Arbonne Independent Consultant.

Profiles generated in any social networking site where an Arbonne Independent Consultant mentions or discusses Arbonne must clearly identify the user as an Arbonne Independent Consultant, disclose the user’s full name and follow this naming order: “Your Name – Arbonne Independent Consultant. Arbonne does not authorise the anonymous use or use under an alias of such websites. The Facebook page profile picture must be a photo of the Independent Consultant (or the Arbonne Independent Consultant logo). Arbonne Independent Consultants must not use the Arbonne logo, the profile picture for the official Arbonne corporate profile or any other branded image that is not approved by Arbonne in writing or specifically provided by Arbonne for use by the Independent Consultants.

Arbonne Independent Consultants are encouraged to share the content Arbonne posts on its corporate social media profiles and pages with their network on their personal business accounts or pages. An Arbonne Independent Consultant may share offers and promotions posted by the home office provided that the social media page is a compliant fan or business page for their personal Arbonne consultancy and any link leads to arbonneinternational.com.au or to the Independent Consultant’s Arbonne Replicated Website. Arbonne Independent Consultants may use social media to invite fans, friends and followers to attend group presentations, provided they do not solicit on the corporate site as stated in 4.4.2.

4.4.2. SOLICITATION ON CORPORATE SOCIAL MEDIA PROFILES

Arbonne Independent Consultants must not use Arbonne corporate social media presences such as the Arbonne corporate Facebook page, twitter account, Pinterest, Instagram etc. to solicit business, drive people to an Arbonne Replicated Website, or sponsor team members. These presences are for the Clients and prospects of all Arbonne Independent Consultants, and must remain a safe place for Arbonne Independent Consultants to send their Clients and prospects, without fear of losing them. Arbonne Independent Consultants must not post their replicated website URL on the corporate Facebook page in response to a Client request, must not offer to sell a product to a Client who inquires about a product, or reply to a prospect that asks about the opportunity. Arbonne’s home office will respond to people directly who interact with Arbonne on these sites, and Arbonne Independent Consultants must not respond unless the Home Office specifically requests that they do so. Arbonne Independent Consultants must not reach out directly to celebrities, national magazines or other media outlets on behalf of the brand through social media.

4.4.3. RESPONSIBILITY FOR POSTINGS

Under the Agreement, each Arbonne Independent Consultant agrees to indemnify Arbonne against all damages arising out of his or her activities as an Arbonne Independent Consultant. Arbonne shall be entitled to rely on this indemnity against an Arbonne Independent Consultant if his/her online activity damages Arbonne or the Arbonne opportunity. Arbonne Independent Consultants are responsible for their own postings and all other online activity conducted by him/her or on behalf of him/her. This policy applies even if an Arbonne Independent Consultant does not own or operate a website or social networking site. If an Arbonne Independent Consultant posts, directly or indirectly, any comment to any site that relates to Arbonne, the Arbonne Independent Consultant is responsible for the posting.

4.4.4. USE OF THIRD-PARTY INTELLECTUAL PROPERTY

If an Arbonne Independent Consultant uses the trade marks, trade names, service marks, copyrights or intellectual property of any third-party in any posting, it is his or her responsibility to ensure

that he or she has permission and is authorised to use such intellectual property. Permission is usually obtained through a licence agreement and payment of an appropriate licence fee and/or royalties. All third-party intellectual property must be properly referenced as the property of the third party, and an Arbonne Independent Consultant must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

4.4.5. TRUTHFULNESS IN POSTINGS

Arbonne Independent Consultants must refrain from making any misleading or deceptive claims or statements about Arbonne, the Arbonne products or the Arbonne opportunity in any online postings. It is the obligation of Arbonne Independent Consultants to ensure their postings and other online marketing activities are truthful, not deceptive and not misleading to customers or potential Arbonne Independent Consultants in any way.

Websites and web promotion activities and tactics that are misleading or deceptive, regardless of intent, may breach the Agreement and the law generally, and are strictly prohibited. This may include spam linking (or blog spam), unethical search engine optimisation (SEO) tactics, misleading click-through ads (i.e., having the display URL of a pay per click campaign appear to resolve to an official Arbonne website when it goes elsewhere), unapproved banner ads and unauthorised press releases. The truthfulness or accuracy of website content or web promotion activities shall be determined by Arbonne in its sole discretion.

4.4.6. RESPECTING PRIVACY

Arbonne Independent Consultants must always respect the privacy of others in their postings and must not engage in gossip or advance rumours about any individual, company, or competitive products or services. In this regard, Arbonne Independent Consultants must not list the names of other individuals or entities on their postings unless they have the prior written permission of the individual or entity that is the subject of their posting.

4.4.7. INAPPROPRIATE CONTENT PROHIBITED

When Arbonne Independent Consultants participate in social networking sites, they must comply with the terms of use of the site, particularly (but not limited to) in relation to avoiding inappropriate conversations, comments, images, video, audio or other applications, including but not limited to profane, violent, offensive, threatening, defamatory, libelous, harassing, discriminatory or vulgar content (all of which is termed “Inappropriate Content”). The determination of what is Inappropriate Content shall be determined by Arbonne in its sole discretion, and offending Arbonne Independent Consultants will be subject to enforcement action/or deactivation.

4.4.8. REMOVAL UPON TERMINATION OF ARBONNE ID

If an Arbonne Independent Consultant’s Agreement is terminated for any reason pursuant to the terms of the Agreement, he or she must promptly, but in any event within five days, discontinue all uses of Arbonne’s name, Arbonne’s trade marks, trade names, service marks, other intellectual property, and all derivatives of such marks and intellectual property, in any format including print, email, postings and all social media sites.

4.5. ONLINE ADVERTISING

4.5.1. ONLINE CLASSIFIEDS

Arbonne Independent Consultants must not use online classifieds (including Craigslist on Groupon) to list, sell or retail specific Arbonne products. Arbonne Independent Consultants may, however, use online classifieds (excluding Craigslist) for informing the public about Arbonne and the Arbonne opportunity, provided that they use the templates created and provided by Arbonne to identify themselves as an Arbonne Independent Consultant, as stated in Section 3.3.3. If a link or URL is provided, it must link to the Arbonne Independent Consultant’s Arbonne Replicated Website. Arbonne Independent Consultants are responsible for complying with the terms of use of those sites, some of which specifically

prohibit advertising for a multi-level marketing business.

4.5.2. BANNER ADVERTISING

Arbonne Independent Consultants may place banner advertisements on a website provided that they use the templates created and provided by Arbonne to identify themselves as an Arbonne Independent Consultant, as stated in Section 3.3.3. All banner advertisements must link to an Arbonne Replicated Website. Arbonne Independent Consultants are not authorised to use blind ads or Web pages that make product or income claims that are ultimately associated with Arbonne products or the Arbonne opportunity.

4.5.3. HOTLINKS

When directing viewers to an Arbonne Replicated Website, in order to avoid misleading or deceiving the reasonable reader, it should be evident from a combination of the link and the surrounding context that the link resolves to the website of an Arbonne Independent Consultant. Links that mislead viewers into believing they are being directed to the Arbonne corporate site, when in fact they are directed to an Arbonne Independent Consultant site are not authorised. The determination of whether a link is misleading shall be made by Arbonne in its sole discretion.

4.5.4. SEARCH ENGINES, SPONSORED LINKS AND PAY-PER-CLICK (PPC) ADS

Arbonne Independent Consultants agree to cooperate fully with Arbonne so that Internet search engines list Arbonne's website, arbonne.com, as the first search result when an Internet browser makes a query containing the name Arbonne or any one of Arbonne's product names or trade marks, along with any variations.

Arbonne Independent Consultants must not use sponsored links or pay-per-click ads (PPC), including Google Adwords or Facebook Advertising, except for templates created and provided by Arbonne or an ad approved in advance by the Business Ethics Standards Team. Arbonne Independent Consultants are not authorised to use the Arbonne name, Arbonne product names or trade marks or any variations as the target keywords, and may only use generic search terms such as cosmetics, skincare, hair care, beauty, aromatherapy, makeup, nutrition, etc. In addition, the destination URL and display URL must show and resolve to an Arbonne Replicated Website, and must not portray any URL that could mislead the user into believing that they are being directed to an Arbonne corporate site. All web advertisements must clearly contain the descriptor of Independent Consultant in both the title and description field.

4.5.5. SPAM LINKING

Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums. This includes blog spamming, blog comment spamming and/or spamdexing. Arbonne Independent Consultants must not use blog spam, spamdexing or any other mass replicated methods to leave blog comments, or links to their personal Arbonne Replicated Website or social media pages. Spam linking is strictly prohibited.

4.6. PRIVACY POLICY

Arbonne Independent Consultants agree to abide by the Privacy Policy set out on Arbonne's website arbonneinternational.com.au and to honour and extend those same policies, to the extent relevant, to persons visiting Arbonne Replicated Websites.

SECTION 5 — ORDERS AND SHIPPING

5.1. ORDERS, SHIPPING, AND AUTOMATIC PRODUCT ORDER SHIPMENT

Information on placing orders, order variances and adjustments, back orders, and delivery is available on the Arbonne's website arbonneinternational.com.au in the Customer Service section.

5.2. COMBINED ORDERS

Arbonne Independent Consultants must not place orders under another Arbonne ID or combine orders with another Arbonne Independent Consultant. This policy is to preserve the maintenance of product quality control, accuracy of point accumulations for awards and recognition, SuccessPlan benefits, sales tax and income reporting.

5.3. MANIPULATING ENROLMENTS AND SALES VOLUME

Arbonne Independent Consultants must not manipulate enrolments of new Arbonne Independent Consultant applicants, Preferred Client registrations or product purchases, as this may constitute bonus buying. All product orders must be placed with Arbonne or entered online within seven days from the time they are placed by a Client. "Bonus buying" is strictly prohibited.

5.4. RESTRICTIONS ON THIRD PARTY USE OF CREDIT CARDS AND CHECKING ACCOUNT ACCESS

Arbonne Independent Consultants shall not permit other Arbonne Independent Consultants, Preferred Clients or Clients to use his or her credit card, or permit debits to their cheque accounts, to enroll or to make purchases from Arbonne on any other person's Arbonne account. Arbonne Independent Consultants may use a Client's credit card with written permission supported by sales receipts when placing retail Client orders through the Independent Consultant's Arbonne ID.

5.5. TAXES

Where applicable, Arbonne will charge, in addition to the price of the products, tax, such as Goods and Services Tax (GST) and/or other applicable taxes.

It is the sole responsibility of each Arbonne Independent Consultant to determine whether or not he or she is eligible or required to register for GST purposes.

SECTION 6 — SALES

6.1. QUALIFIED STATUS

To participate in the management qualification programmes and in the bonus and override programmes, Arbonne Independent Consultants must accumulate a minimum of 150 QV in Personal Qualifying Volume (PQV) that month.

6.2. SALES RECEIPTS

All Arbonne Independent Consultants must provide their retail Clients and Preferred Clients with one copy of an official Arbonne sales receipt at the time of the sale. These receipts set forth the Client Satisfaction Guarantee as well as legal consumer protection rights (cancellation notice). Arbonne Independent Consultants must orally inform the buyer of his or her cancellation rights. Arbonne Independent Consultants must maintain all retail sales receipts for a period of five years and furnish them to Arbonne at the Company's request. Arbonne will maintain records documenting the purchases of Arbonne Independent Consultants' Clients and Preferred Clients who purchase directly from Arbonne.

6.3. BONUS BUYING PROHIBITED

6.3.1. Bonus buying is strictly and absolutely prohibited. "Bonus buying" includes: (a) the enrolment of individuals or entities without the knowledge of and/or execution of an Arbonne Independent Consultant Application & Agreement or Preferred Client registration form by such individuals or entities; (b) the fraudulent enrolment of an individual or entity as an Arbonne Independent Consultant or Preferred Client; (c) the enrolment or attempted enrolment of non-existent individuals or entities as Arbonne Independent Consultants or Preferred Clients ("phantoms"); (d) the use of a credit card by or on behalf of an Arbonne Independent Consultant when the Arbonne Independent Consultant is not the account holder of that credit card; (e) purchasing Arbonne products or services on behalf of another Arbonne Independent Consultant, or under another Arbonne Independent Consultant's or Client's or Preferred Client's Arbonne ID, to qualify for commissions, bonuses; (f) any other mechanism by which strategic purchases are made to maximise commissions or bonuses or other incentives such as trips and awards when an Arbonne Independent Consultant has no bona fide use for the products purchased.

6.3.2. Arbonne Independent Consultants must not inventory load nor encourage others to inventory load. Arbonne reserves the right to withhold final approval on all payments, recognition, awards or incentives pending verification of compliance with any incentive, promotional or recognition program terms and conditions and to ensure that there has been no bonus buying, inventory loading, manipulation of the SuccessPlan, or violation of the Agreement. Each Arbonne Independent Consultant acknowledges that participants in such programs must be Arbonne Independent Consultants in good standing with the Company during the incentive or promotional program period and through their reception of any awards and that Arbonne Independent Consultants non-compliant with the Agreement during the incentive, promotional or recognition program period shall not be entitled to participate and will not be eligible for any payments available under that program. In the event any SuccessPlan manipulation or other activity in violation of the Agreement becomes known after awards and payments have already been given to an Arbonne Independent Consultant, Arbonne reserves the right to deduct the value of any awards from future commission payments and take any other action provided for under the Agreement.

SECTION 7 — BONUSES AND COMMISSIONS

7.1. OVERRIDE, BONUS AND COMMISSION QUALIFICATIONS

An Arbonne Independent Consultant must be qualified and in compliance with the Agreement to qualify for overrides and bonuses. So long as an Arbonne Independent Consultant complies with the terms of the Agreement, Arbonne shall pay overrides and bonuses to such Independent Consultant in accordance with the SuccessPlan. The minimum amount for which Arbonne will make an electronic payment is \$35. If an Arbonne Independent Consultant's overrides, bonuses and commissions do not equal or exceed \$35, the Company will accrue the overrides, bonuses and commissions until they total \$35. An electronic payment will then be made once \$35 has been accrued. Upon termination of the Agreement, any accrued commissions and bonuses will be paid out regardless of the amount accrued.

7.2. COMMISSION PAYMENTS, STATEMENTS

Override and bonus payments are processed and generated after the end of each month and are paid within 10 business days after month end. Attached to each cheque is an itemised statement of your earnings. Arbonne Independent Consultants should retain all itemised earnings statements for their tax records. Please allow time for the postal service to deliver any cheque to you. Arbonne Independent Consultants who have not received their cheque by the first day of the next month should contact Customer Service to investigate.

Direct deposit is also available to Arbonne Independent Consultants who complete and submit the Direct Deposit Form.

7.3. ADJUSTMENT TO BONUSES AND COMMISSIONS

Arbonne Independent Consultants receive compensation based on the actual sales of products and services to end consumers. When a product is returned to Arbonne for a refund or is repurchased by the Company, the discounts, overrides, commissions, bonuses, incentives, campaigns, promotional benefits and other compensation 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 Arbonne Independent Consultants who received bonuses and commissions on the sales of the refunded products.

If Arbonne issues any type of compensation to an Arbonne Independent Consultant in error, Arbonne reserves the right to recover that compensation in full. If that compensation has already been used or is otherwise unavailable to Arbonne, Arbonne may deduct from future earnings.

7.4. ERRORS OR QUESTIONS

In the event an Arbonne Independent Consultant has questions about or believes any errors have been made regarding commissions, bonuses, SuccessLine Activity Reports, orders or charges, the Arbonne Independent Consultant must notify Arbonne within 60 days of the date of the purported error or incident in question. Arbonne will not

be responsible for any errors, omissions or problems not reported to it within 60 days.

SECTION 8 — PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

8.1. CLIENT PRODUCT SATISFACTION GUARANTEE

A 45-day money-back guarantee is offered on all Arbonne products to all Clients (including Preferred Clients). Clients not completely satisfied may return the purchased products to their Arbonne Independent Consultant for a replacement or refund of the purchase price within 45 days from the Client purchase date. A signed and fully completed Product Return Form must accompany a product return. Return shipping fees are non-refundable. Please allow four to six weeks for processing. Promotional products and gift items may not be available for replacement, and may, at Arbonne's discretion, be exchanged for an item of equal value.

THE PRODUCT GUARANTEE APPLIES ONLY TO CLIENTS AND PREFERRED CLIENTS WHO ORDER FROM AN ARBONNE INDEPENDENT CONSULTANT, AN ARBONNE REPLICATED WEBSITE OR DIRECTLY FROM ARBONNE USING AN ARBONNE ID NUMBER.

THE 45-DAY MONEY-BACK GUARANTEE IS IN ADDITION TO OTHER RIGHTS AND REMEDIES, WHICH ARE AVAILABLE UNDER THE AUSTRALIAN CONSUMER LAW. WHERE A PRODUCT DOES NOT COMPLY WITH A STATUTORY GUARANTEE, BOTH CLIENTS AND ARBONNE INDEPENDENT CONSULTANTS MAY BE ENTITLED TO A REPLACEMENT OR A FULL REFUND (INCLUDING SHIPPING COSTS) AND FOR COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE (IN SOME CIRCUMSTANCES).

8.2. INDEPENDENT CONSULTANT RETURN POLICY

Arbonne Independent Consultants who certify that they are purchasing product for personal consumption purposes only have the benefit of the same return policy as is extended to Clients and Preferred Clients (see Client Product Guarantee Policy above). Exchanged products, unlike returned products, will not result in a reduction of Qualifying Volume or other sales benefits.

Subject to any right available under the Australian Consumer Law, Arbonne Independent Consultants shall not be entitled to return inventory (as distinguished from products purchased for personal or family use) or Business Aids that they personally purchased from Arbonne for a refund unless the Arbonne Independent Consultant is voluntarily or involuntarily terminating his or her business relationship with Arbonne, or the Arbonne Independent Consultant's renewal is due and the Arbonne Independent Consultant has elected not to renew. Inventory being returned must be accompanied by the Arbonne Independent Consultant's written and signed letter terminating, or stating his or her intention not to renew, as an Arbonne Independent Consultant and a fully completed Product Return Form. Product and Business Aids returned at termination must be in resaleable condition and will be repurchased at 100% of the Arbonne Independent Consultant's original purchase price less appropriate setoffs and legal claims, if any. Setoffs include, but are not limited to, those items identified in Policy 8.3.

8.3. COMMISSION AND BONUS RECAPTURE

8.3.1. All overrides, bonuses, commissions, incentives, campaigns or other payments (collectively "payment") that have been paid to an Arbonne Independent Consultant and his/her Upline based on the sale of products that are subsequently returned will be deducted from the Arbonne Independent Consultant and those Upline that received payment based on those sales. Valid Client product replacements and/or exchanges do not create a deduction.

8.3.2. All commissions, bonuses and other amounts that have been paid to a terminating Arbonne Independent Consultant, based on the sales of products that are subsequently returned, and any amounts due to Arbonne from the Arbonne Independent Consultant for any other reason, are subject to deduction from the refund or repurchase amount. Overrides, bonuses and all benefits previously paid or earned on the returned resaleable products by the terminating Arbonne Independent Consultant's Upline will be deducted from the Upline's subsequent commissions.

8.3.3. The sales volume associated with returned merchandise shall also be deducted from the qualifying volume of the cancelling Arbonne Independent Consultant's Upline. This may result in a drop in the Upline's status should there be insufficient qualifying volume necessary for the Upline to maintain qualification at that status.

8.4. PROCEDURES FOR ALL RETURNS

Information on procedures for all returns is available on Arbonne's website arbonneinternational.com.au in the Customer Service section.

SECTION 9 – DISPUTE RESOLUTION

9.1. GRIEVANCES AND COMPLAINTS

When an Arbonne Independent Consultant has a grievance or complaint with another Independent Consultant regarding any practice or conduct in relationship to their respective Arbonne consultancies, the complaining Independent Consultant should first report the problem to his or her Sponsor to review the matter and to try to resolve it with the other party's upline sponsor. If the matter cannot be resolved, it should be reported in writing to Customer Service at the Company. Customer Service will review the facts and attempt to resolve it.

9.2. REPORTING POLICY VIOLATIONS

Arbonne Independent Consultants observing a Policy violation by another Independent Consultant should submit a written report of the violation directly to the attention of the Arbonne Business Ethics Standards Team using the Contact Us form on the Customer Service page of arbonneinternational.com.au and designating the email as a compliance issue. Details of the incidents such as dates, number of occurrences, persons involved and any supporting documentation should be included in the report.

9.3. ENFORCEMENT MEASURES

Arbonne reserves the right to take steps to require an Arbonne Independent Consultant to comply with the Agreement (1) if it has determined that the Arbonne Independent Consultant has violated any provisions of the Agreement, including the provisions of these Policies & Procedures in their current form and as they may be amended from time to time at Arbonne's sole discretion; (2) the Arbonne Independent Consultant has violated any laws, regulations, or standards of fair dealing; or (3) the Arbonne Independent Consultant has conducted him/herself in a way that, in Arbonne's sole discretion, damages or tarnishes Arbonne, its reputation or goodwill or the interests of other Arbonne Independent Consultants.

At Arbonne's discretion, Arbonne may use one or more of the following measures to require compliance with the Agreement:

- Issuance of a written notice requiring any breach to be remedied within a certain time;
- Requirement that the Arbonne Independent Consultant take immediate measures to ensure compliance;
- Loss of rights to one or more bonus and commission cheques or use of performance account;
- Withholding from an Arbonne Independent Consultant all or part of the Arbonne Independent Consultant's bonuses and commissions during the period that Arbonne is investigating any conduct allegedly in violation of the Agreement;
- Suspension of the Arbonne Independent Consultant's Agreement and Arbonne business for one or more pay periods including, but not limited to, suspension of awards or benefits (e.g., vacations, pins, etc.) while Arbonne conducts an investigation;
- Suspension from speaking at Arbonne training seminars or other meetings representing Arbonne;
- Prohibition from attending any corporate or Arbonne-sponsored event (e.g., GTC, NVP leadership meetings, Arbonne Incentive Trip), even if the Arbonne Independent Consultant has otherwise qualified for the event;
- Revocation of the Arbonne Independent Consultant's rank and reclassification of rank to Independent Consultant or Preferred Client and resulting adjustment to override calculations, or in the

case of Preferred Client, loss of downline or ability to receive commission and override payments;

- Transfer of an Arbonne Independent Consultant, downline or an entire group to the next upline;
- Involuntary termination of the offending Arbonne Independent Consultant's Agreement and Arbonne consultancy;
- Institution of legal proceedings for monetary and/or equitable relief in situations deemed appropriate by Arbonne; or
- Any other measure expressly allowed within any provision of the Agreement or which Arbonne deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Arbonne Independent Consultant's policy violation or contractual breach.

The above enforcement mechanisms are in addition to Arbonne's right to terminate or cancel the Agreement and the Arbonne Independent Consultant's Arbonne consultancy with or without cause.

9.4. MEDIATION AND ARBITRATION

9.4.1. BINDING, FINAL AND EXCLUSIVE RESOLUTION PROVISIONS

Arbonne and Arbonne Independent Consultants each waive their respective rights to a jury or court trial to resolve any dispute arising from, or relating to, the Agreement except as expressly set forth below.

Pursuant to clause 27 of the Arbonne Independent Consultant Application & Distribution Agreement, all disputes and claims ("Dispute" or "Disputes") relating to Arbonne, its past or present related entities, officers, directors, employees, distributors or vendors, its marketing and compensation plan, its products, its services, the rights and obligations of an Arbonne Independent Consultant and Arbonne, or any other claims or causes of action relating to the performance of either an Independent Consultant or Arbonne under the Agreement or the purchase of products shall be settled totally and finally in accordance with the procedure set out below.

9.4.2. MEDIATION

If a Dispute arises it is expected that the parties will attempt in good faith to resolve any such Dispute in an amicable and mutually satisfactory manner. In the event that such efforts are unsuccessful, and as a prerequisite to filing a claim in arbitration, either party shall first serve a notice requesting mediation ("Notice of Mediation"). The Notice of Mediation shall be personally delivered or sent by prepaid registered mail or overnight courier, and shall be effective on receipt by the party to whom it is addressed. The Notice of Mediation shall be dated and shall specify the claims or issues that will be subjected to mediation, including the requested remedies sought in the mediation. The parties shall attempt, in good faith, to select a mutually acceptable mediator.

Any mediation shall be held in Sydney, New South Wales before one mediator mutually agreeable to the parties. If the parties are unable to appoint a mediator within seven (7) days of receipt of the Notice of Mediation by the recipient, the parties agree that the President of the Institute of Arbitrators and Mediators Australia ("IAMA") (or its successor) may appoint a mediator. The mediation shall be conducted in accordance with the IAMA Mediation Rules.

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 own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. The mediation shall be held in Sydney, New South Wales within 45 days after the selection of the mediator.

The mediation, and any materials, briefs, statements, documents, or information exchanged at or in anticipation of the mediation, shall be kept confidential and shall not be admissible for any purpose in any legal proceeding.

9.4.3. ARBITRATION

If the Dispute cannot be resolved by mediation as set out above, the parties agree that the Dispute is to be referred to binding arbitration before a single arbitrator pursuant to the IAMA Arbitration Rules using an arbitrator mutually agreeable to the parties. If the parties are unable to appoint an arbitrator within seven (7) days of one party giving written notice to the other party(s) of the referral of the matter to arbitration, the parties agree that the President of the IAMA (or its successor) may appoint an arbitrator.

Any arbitration shall take place in Sydney, New South Wales. Any documentary or other evidence given by the parties or a witness in the arbitration shall be treated as confidential to the parties.

The Parties further expressly agree that (i) the arbitrator shall only reach his/her decision by applying strict rules of law to the facts, (ii) the party in whose favour the arbitration award is rendered shall be entitled to recover costs and expenses of the arbitration including, but not limited to, attorneys' fees and the cost and expense of administration of the arbitration proceedings, and any costs and attorneys' fees incurred in executing on or enforcing the arbitration award.

Neither Arbonne Independent Consultant nor Arbonne agree to any arbitration on a class or representative basis, and the arbitrator shall have no authority to proceed on that basis. Any arbitration of any claim will take place on an individual basis without resort to any form of class or representative action. The existence of any claim or cause of action of an Arbonne Independent Consultant against Arbonne, whether predicated on the Agreement or otherwise, shall not constitute a defence to Arbonne's enforcement of an Arbonne Independent Consultant's covenants and agreements contained herein or under the Agreement.

Notwithstanding the requirements for mediation and arbitration, 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 rights under the non-solicitation provision of the Agreement.

This dispute resolution procedure set out in 9.4.2 and 9.4.3 shall survive any termination or expiration of any other agreements.

SECTION 10 – INACTIVITY AND CANCELLATION

10.1. EFFECT OF SUSPENSION OR TERMINATION

An Arbonne Independent Consultant's bonuses and commissions constitute the entire consideration for the Arbonne Independent Consultant's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following an Arbonne Independent Consultant's non-renewal of his or her Agreement, cancellation of the Agreement for inactivity, or voluntary or involuntary cancellation of the Agreement (all of these methods are collectively referred to as "termination"), the former Arbonne Independent Consultant shall have no right, title, claim or interest to the SuccessLine which he or she operated, or any commission or bonus from the sales generated by the SuccessLine. An Arbonne Independent Consultant whose business is terminated will lose all rights as an Arbonne Independent Consultant and his or her Arbonne consultancy will be cancelled. This includes, but is not limited to, the loss of the right to sell Arbonne products and services, to participate in Arbonne functions or events, and to receive future commissions, bonuses, awards or other income resulting from the sales and other activities of the Arbonne Independent Consultant's former SuccessLine. Terminated Arbonne Independent Consultants have no right to future compensation or damages from Arbonne. In the event of termination, Arbonne Independent Consultants agree to waive all rights they may have, to any bonuses, commissions or other remuneration derived from the sales and/or other activities of his or her former SuccessLine. Following an Arbonne Independent Consultant's termination, Arbonne may, at its discretion, assign the former Arbonne Independent Consultant's SuccessLine to

the next active upline Arbonne Independent Consultant.

Suspended Arbonne Independent Consultants are not permitted to attend Arbonne functions, engage in any Arbonne related activities, recruit Arbonne Independent Consultants, or sell Arbonne products so long as the suspension remains in effect, nor are they eligible to participate in the Arbonne compensation plan or receive commissions from Arbonne while the suspension is in effect. If an Arbonne Independent Consultant's Agreement is terminated following a suspension, the termination date is retroactive to the date of suspension. If Arbonne determines that it is appropriate to reinstate a suspended Arbonne Independent Consultant, Arbonne may, at its discretion, impose disciplinary sanctions as set forth in these Policies & Procedures as a condition of reinstating the suspended Arbonne Independent Consultant.

10.2. CANCELLATION FOR INACTIVITY

If an Arbonne Independent Consultant has not renewed his or her Agreement by the end of the 13th month since his or her initial registration or last renewal date, he or she will be cancelled as an Arbonne Independent Consultant on the first business day of the 14th month. At this time, the former Arbonne Independent Consultant's Arbonne ID will be assigned to Client status, all rights as an Arbonne Independent Consultant are relinquished and any SuccessLine is assigned to the next active upline Arbonne Independent Consultant. After cancellation has occurred, the former Arbonne Independent Consultant will be eligible to submit a new Independent Consultant Application & Agreement; however, a former Arbonne Independent Consultant may not register under a different sponsor unless he or she has been inactive (no personal product purchases or sales to Clients or Preferred Clients, no personal sponsoring of Arbonne Independent Consultants and no registering of Preferred Clients) during a calendar month period. Any product purchases by a former Arbonne Independent Consultant as a Client or Preferred Client will not constitute activity for purposes of determining inactivity during the month period.

10.3. AGREEMENT TERMINABLE AT WILL

An Arbonne Independent Consultant may terminate his or her Agreement with Arbonne at any time by providing a signed written notice to Arbonne. Arbonne also may terminate the Agreement with an Arbonne Independent Consultant (including any partnerships, corporations or other entity) at any time by providing 30 days' written notice or with immediate effect where permitted under the Agreement. Arbonne Independent Consultants or Arbonne are not required to have any reason, nor do Arbonne Independent Consultants or Arbonne have to claim or prove any cause to terminate this Agreement. If and when the relationship is terminated, Arbonne Independent Consultants shall have no claim against Arbonne nor any right to claim or collect lost profits, lost opportunities or any other damages. Termination will result in the loss of all benefits as an Arbonne Independent Consultant.

If an Arbonne Independent Consultant's relationship with Arbonne is terminated, he or she may not re-enrol in Arbonne under a new sponsor until 6 calendar months have elapsed from the date on which the relationship was terminated or the date on which the Arbonne Independent Consultant placed his or her last order with Arbonne, whichever is later. Arbonne reserves the right to reject any re-enrolment application. Arbonne makes no promises or assurances that the relationship with any Arbonne Independent Consultant will continue for any period or term.

SECTION 11 — DEFINITIONS

Agreement — The legally binding contract between Arbonne and each Arbonne Independent Consultant, which includes the Independent Consultant Application & Distribution Agreement, the Arbonne Policies & Procedures, the Arbonne SuccessPlan and the Business Entity Registration Form, if applicable, all in their current form and as amended by Arbonne in its sole discretion. These documents are collectively referred to as the “Agreement.”

Arbonne Independent Consultant (Independent Consultant) — Any individual or entity who has: (a) submitted an Independent Consultant Application & Agreement to Arbonne that is accepted by Arbonne; and (b) paid the initial Starter Kit Fee or an annual renewal fee within the preceding 12 calendar months regardless of the level the Arbonne Independent Consultant has achieved in the Arbonne SuccessPlan. Under this definition, the term Arbonne Independent Consultant refers to and includes Independent Consultants, Managers and Vice Presidents.

Cancel — The termination of an Arbonne Independent Consultant’s consultancy and Arbonne ID. Cancellation may be either voluntary or involuntary, through non-renewal or inactivity.

Client — An individual who purchases Arbonne products from an Arbonne Independent Consultant but who is not a participant in the Arbonne SuccessPlan. This includes Preferred Clients.

Generation — The layers of downline Arbonne Independent Consultants in a particular Independent Consultant’s SuccessLine organisation. This term refers to the relationship of an Arbonne Independent Consultant relative to a particular upline Arbonne Independent Consultant, determined by the number of Arbonne Independent Consultants between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is A’s fourth generation.

Group Retail Volume (GRV) — The Retail Volume of Arbonne products sold by an Arbonne Independent Consultant’s Central District, Area, Region or National sales organization. Group Sales Volume does include the Personal Retail Volume of the subject Arbonne Independent Consultant. Starter Kits and Business Aids do not have Retail Volume.

Official Arbonne Material — Literature, samples, audio, CDs, DVDs and other materials developed, printed, published and distributed by Arbonne to Arbonne Independent Consultants. All official Arbonne Materials bear the Arbonne Official Seal.

Personal Qualifying Volume (PQV) — The Qualifying Volume achieved personally by an Arbonne Independent Consultant in a calendar month, including Qualifying Volume from sales to his or her registered Clients and Preferred Clients and sales and purchases under an Arbonne Independent Consultant’s own Arbonne ID.

Pop-Up — The method by which a vacancy in a SuccessLine left by an Arbonne Independent Consultant whose Independent Consultant Agreement has been cancelled is filled.

Qualifying Volume (QV) — Every Arbonne product carries a designated Qualifying Volume, which is used to calculate qualifications, maintenance, product specials and campaign incentives. Starter Kits, Business Aids, sample packs and certain product specials have no QV.

Qualified Independent Consultant — An Arbonne Independent Consultant who satisfies the minimum monthly personal QV requirements, as set forth in the Arbonne SuccessPlan, to ensure that he or she is eligible to receive overrides and bonuses and participates in management qualification programs.

Rank — The “title” that an Arbonne Independent Consultant has achieved pursuant to the Arbonne SuccessPlan.

Recruit — The term “Recruit” means actual or attempted solicitation, enrolment, encouragement, or effort to introduce or influence in any other way, either directly, indirectly or through a third party, another Arbonne Independent Consultant, Preferred Client or Client to enrol or participate in another direct selling, multilevel or network marketing (collectively “direct selling”) company. Recruiting includes, but is not limited to, introducing another direct selling company to an Arbonne Independent Consultant via email or through a website. Indirect recruiting includes, but is not limited to, recruiting an Arbonne Independent Consultant’s immediate household family members for another direct selling company.

Resaleable — Products and Business Aids shall be deemed “resaleable” if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labelling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) it is returned to Arbonne within one year from the date of purchase; 5) the product contains current Arbonne labelling. Any merchandise that is clearly identified at the time of sale as non-returnable, discontinued or as a seasonal item, shall not be resaleable.

Sponsor — An Arbonne Independent Consultant who enrolls another Independent Consultant into the Company and is listed as the sponsor on the Independent Consultant Application & Agreement. The act of enrolling others and training them to become Independent Consultants is called “sponsoring.”

SuccessLine Activity Report — Reports generated by Arbonne that provide critical data relating to the identities of Independent Consultants, sales information and sponsoring activity of each Arbonne Independent Consultant’s SuccessLine. This report contains confidential and trade secret information, which is proprietary to Arbonne.

SuccessLine Leg — Each one of the individuals sponsored immediately underneath you and their respective SuccessLine organisations represents one “leg” in your SuccessLine organisation.

SuccessPlan — The compensation plan for Arbonne Independent Consultants.

Upline — This term refers to the Arbonne Independent Consultant(s) above a particular Arbonne Independent Consultant in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular Arbonne Independent Consultant to the Company.



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