

# Life Force® International

## U.S. Statement of Policies & Procedures

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## CODE OF CONDUCT DECLARATION

Life Force International (subsequently referred to as "LFI" or the "company") has established the following code of conduct to guide the appropriate, efficient and ethical operation of LFI. We require our Members and Customers to abide by the letter and spirit of this code that forms our contract with all registered parties of LFI.

### 1. Member Obligation

#### LFI Members will:

- a. Conduct themselves in an ethical and professional manner;
- b. Sell the company's products in accordance with the compensation plan;
- c. Make it clear that success in LFI's compensation plan is based on retail sales rather than sponsoring;
- d. Represent the compensation plan only as prescribed by LFI;
- e. Comply with applicable consumer protection laws and regulations;
- f. Provide training, motivation and support to Members in their organization; and
- g. Maintain current and accurate information concerning the address, phone number, email, social security number, method of payment, and any other data on their file.

#### LFI Members will not:

- a. Engage in deceptive, unlawful, or unethical business or recruiting practices;
- b. Engage in high-pressure selling or recruiting practices;
- c. Make misleading sales claims or guarantees concerning the company's products;
- d. Make misleading claims or guarantees concerning potential earnings;
- e. Sponsor or enroll minors or persons who are not capable of making an informed decision;
- f. Conduct business activities in countries other than those approved by LFI;
- g. Purchase Business Volume on another Member or Customer's account to qualify for any LFI bonus or commission; or
- h. Seek in any way to violate or circumvent LFI policies.

### 2. Obligations of LFI

#### The company will:

- a. Conduct itself in an ethical and professional manner;
- b. Administer the policies and procedures of the company fairly, without prejudice or favor;
- c. Provide worldwide liability insurance on its

products when used in accordance with the instructions on the label;

- d. Compensate Members in accordance with LFI's approved compensation plan;
- e. Process orders and ship products in a timely fashion;
- f. Provide Members with the organization and volume information required to manage business activities; and
- g. Comply with all laws governing the sale and distribution of products and the compensation of participants.

#### The company will not:

- a. Guarantee success in LFI;
- b. Provide any commissions for the recruitment of others;
- c. Tolerate Members pressuring prospects into purchasing large quantities of inventory;
- d. Tolerate misleading product claims;
- e. Tolerate Members "stocking up" on products merely to obtain commissions;
- f. Advise Members on their personal account management;
- g. Represent that there is any substitute for hard work and preparation; or
- h. Tolerate Members purchasing Business Volume, or soliciting other Members to do so, on another Member or Customer account other than their own to qualify for any LFI bonus or commission.

Violation of these policies may result in disciplinary measures listed in policy 57.

## ADMINISTRATIVE POLICIES

### Membership Policies

#### 1. Becoming a Customer

LFI defines Customers as persons who simply wish to purchase products and choose not to participate in the LFI income opportunity. Anyone may become a Customer at absolutely no cost whatsoever and purchase LFI products at low factory-direct prices. Alternatively, Customers may purchase directly from their sponsor at a fair and equitable retail price. To become a Customer, you must have a sponsor. Bonuses on Customer purchases will be paid to the sponsoring organization.

Unlike Members, Customers do not need to provide LFI with their Social Security or Tax Identification number. For account management purposes, a Customer will be assigned a computer-generated Identification Number that they should use when ordering products or making

account inquiries. In addition, to remain active, a Customer must purchase products at least once every twelve months. However, LFI reserves the right to accept or reject any Customer at any time.

In the event a Customer is registered under a business name, the contact name for the owner/manager of the business entity is required.

Customers may elect to change their status and become a Member at any time during the calendar month. Should a Customer become a Member, the newly converted Member's enrollment sponsor will be eligible to change their placement sponsorship as detailed in policy 21D. Any new downline the upgraded Member has built will be transferred upon completion of the placement change. The enrollment sponsorship of the upgraded Member, however, cannot be transferred.

## **2. Becoming a Member**

Membership in LFI does not constitute the sale of a franchise or distributorship and no product purchase is required as a means to obtain the right to become an LFI Member. A person may be awarded a Membership as an individual, or in the form of a bona fide business entity such as a partnership or D.B.A.

Should a business entity register as a Member, the point of contact for the business entity will be subject to the policies and procedures as if they were the Member. In addition, there must be a contact name for the owner/manager of the business entity.

To become a Member and participate in the LFI compensation plan, an individual must:

- a. Agree to abide by the LFI policies and procedures;
- b. Be of legal contractual age in their state of residence;
- c. Have a sponsor;
- d. Provide LFI, by phone, email, internet, mail or fax, with their Social Security number or Tax Identification number; and
- e. Remain active by purchasing products at least once every six months.

If a registered Member of LFI goes six months without making a purchase, at midnight on the last day of the sixth month of inactivity, the Member will revert to a Customer status. The Member's existing downline organization will roll up to the immediate upline sponsor, and the enrollment sponsorship of

any Members who had been previously enrolled by the inactive Member will be transferred to the Member's Enroller. As a converted Customer, the individual will then have an additional six months to place an order before complete removal from LFI takes place. If a Member calls after being changed to a Customer to place an order, they will remain a Customer unless they provide their social security number and request to become a Member again. A Member who upgrades back to Member status after being changed to Customer status due to inactivity will not re-obtain their previous downline organization.

Compliance with these requirements entitles a participant to lifetime Membership. Membership is not transferable, and cannot be sold or assigned without prior approval of LFI.

Although no product purchase is required to become a Member, new Member registrations over the telephone where the new Member is not present, or registrations via the internet or utilizing any other electronic method where an individual cannot verify their intent to become a Member, must include the following:

Full name, address (mailing and shipping), Social Security or Tax Identification number, complete telephone number, and both enrollment and placement sponsor's Identification Number. Incomplete electronic applications will be automatically rejected, whether sent via email, internet or fax.

Due to LFI's liberal application process, any registered Member who has never placed an order may challenge the validity of their registration and request immediate termination without prejudice, and join under the Member of their choice.

Registering Members or Customers without their permission is not allowed. Anyone caught registering an individual without the permission of the individual being registered shall be subject to the disciplinary measures listed in policy 57.

Although Members are authorized to sponsor other Members and enroll Customers, LFI reserves the right to accept or reject any Member.

## **3. Member Identification**

Similar to Customers, each Member is assigned an Identification Number. This number is used to track sponsoring efforts, product purchases and bonus payments.

#### 4. Independent Status

Members associated with LFI are independent contractors. If Members do any business, they are responsible for conducting their own business activities without company control or direction and are not an agent, employee or legal representative of the company.

Members are not authorized to incur any debt, expense or obligation on behalf of or for LFI nor bind LFI to any agreement or contract. Independent contractors have the following responsibilities:

- a. Abide by all laws, rules and regulations pertaining to the acquisition, receipt, holding, selling, distribution, and advertising of LFI products and business opportunity;
- b. Be solely responsible for declaration and payment of any associated taxes or fees;
- c. Be solely responsible for any required disability or compensation insurance;
- d. Supply any equipment and tools necessary for operating their business, such as telephone, transportation, professional services, office supplies; and
- e. Provide their own place of business and determine their own work hours.

#### 5. Beneficiaries

Upon death or incapacity, the benefits of this agreement shall inure to the Member's heirs or successors in interest and the obligations and benefits of this policy shall be binding upon the respective successors.

In the event of death, the designated beneficiary will need to provide LFI with a certified copy of the final will and testament (or probate decision in absence of a will) along with a certified copy of the Death Certificate.

#### 6. Second Position

Without exception, only Members who have achieved the rank of Gold in the LFI compensation plan may have a second position in LFI under the following conditions:

- a. The second position must only be enrolled and placed first level to the first position;
- b. Members and Customers originally sponsored under the first position with an enrollment date preceding the second position may not be transferred to the second position;
- c. The second position must have a separate Social Security or Tax Identification number, and it may be in the name of a spouse or bona fide business entity, but no HOUSEHOLD may have more than two business positions.

A spouse, business/charity organization, or secondary personal account would fall under the category of a second position. In addition, Customers cannot have a second account unless they become a Member and achieve the rank of Gold.

Failure to meet these may be subject to the disciplinary measures listed in policy 57.

#### 7. Third Position

Without exception, only Members who have achieved the rank of 1 Star Diamond in the LFI compensation plan may have a third position in LFI under the following conditions:

- a. The third position must only be enrolled and placed first level to the first position;
- b. Members and Customers originally sponsored under the first position with an enrollment date preceding the third position may not be transferred to the third position;
- c. The third position must have a separate Social Security or Tax Identification number, and it may be in the name of a spouse or bona fide business entity, but no HOUSEHOLD may have more than three business positions.

A spouse, business/charity organization, or tertiary personal account would fall under the category of a third position. In addition, Customers cannot have a third position unless they become a Member and achieve the rank of 1 Star Diamond. When signing up a third position, the member must identify the position as a third position in their account. Failure to meet these conditions may be subject to the disciplinary measures listed in policy 57.

#### 8. Multiple Households at a Single Address

LFI has an obligation to ensure that the integrity of its multilevel organizational structure is protected from stacking, a manipulation of the compensation plan that negatively impacts upline sponsors. For example, when family Members are chain-sponsored one after the other, upline commissions are negatively affected, even cut off. To prevent this situation, multiple households residing at the same address must be enrolled and placed front line to the original Member residing at that address. For example, if parents and adult children are living at the same address, all family Members must be sponsored front line to the original Member of LFI residing at that address.

- a. Individual rent-paying tenants in the same building or residence are not considered a household.
- b. Roommates are not considered a household.

## 9. Marriage of LFI Members

In the event that two LFI Members have separate accounts prior to their marriage, LFI will allow them to maintain their accounts after they are legally wed with the presentation of a marriage certificate, verifying the date of their marriage or legal union for domestic partners.

## 10. The Divorce or Annulment of LFI Members

If there is an LFI Member account that is shared by a married couple and those two parties become divorced or have their marriage annulled, they may open separate individual accounts. Both parties are required to send in a signed written request of their registration along with an official copy of their divorce or annulment papers before the registrations can take place.

## 11. Fictitious/Falsified Information

The use of a fictitious name, address, phone number, social security number, or other information for an LFI account is strictly prohibited. Members participating in such activity may be subject to disciplinary measures listed in policy 57.

## 12. Change of Name, Business Name, and SSN/Tax ID

Members and Customers are responsible for notifying LFI in writing by letter, email or fax of any change in their name, business name, SSN/Tax ID information, etc. Send letters to:

Life Force International  
12460 Kirkham Court  
Poway, CA 92064  
Email: [lifeforce@lifeforce.net](mailto:lifeforce@lifeforce.net)  
Fax: 1-800-809-8208

## 13. Voluntary Resignation

Members and Customers may resign their Membership at any time with a signed and dated letter indicating their intent to discontinue their LFI account. For a Member terminating their position, any downline organization affected by the resignation shall be transferred to the resigning Member's sponsor. Enrollment Sponsorship shall be transferred to the resigning Member's enroller.

Once resigned, a formerly active Member or Customer may not re-apply for a new account for three calendar months following the month in which the termination occurred unless they have received the signatures of the six previous upline sponsors. However, an individual can re-register, with no wait period, under the same sponsor as that of their resigned position. If a resigned Member had achieved the rank of Platinum or

higher, readmission as a Customer or Member will require the approval of a senior LFI Executive.

## 14. Sale of an Independent Membership

An Independent Member may not sell, assign or otherwise transfer their Independent Membership, marketing position, or any other Independent Member rights without the prior written approval of LFI. Prior to the sale, LFI requires that a request for sale of Membership be forwarded to the LFI Home Office. LFI will then provide a packet to the Independent Member, which includes a form and instructions on how to proceed with the sale. Prior to approval, LFI requires that all documents of sale be signed and notarized by all parties, and that they be submitted to LFI.

The Offer of Sale of the Independent Membership must first be offered in writing\* to the Independent Member's direct placement sponsor as a first right of refusal. A copy of this offer must be forwarded to the LFI Home Office. The direct placement sponsor must be Gold or above who does not already hold a second position (see policy 6). In the event that the direct sponsor doesn't respond within 72 hours from the time of first request by seller, LFI will attempt to contact the direct upline. The direct upline will then have 72 hours to contact LFI with refusal. If the direct placement sponsor declines the offer, or is not eligible to accept it, and sends their refusal to LFI in writing,\* or is non-responsive, the Independent Member may offer this position to anyone, on the same terms and conditions as were offered to the direct placement sponsor. If the transaction is completed and approved by LFI, the organization that is sold/purchased will remain in its original position in the LFI genealogy. All Members agree that the decision to allow a sale of Membership, and whether the required approvals have been obtained, will be at LFI's sole discretion.

The sale, transfer or assignment of the majority of voting shares in a Corporate Independent Membership is deemed a sale of an Independent Membership and is subject to the same requirements.

In all cases, LFI reserves the right to review and approve the entire transaction including, but not limited to, the "offer to sell."

A Member who has sold their Membership may not reapply for Membership or purchase another position for three calendar months following the month in which the original Membership was

sold, unless they have received the signatures of the six previous upline sponsors.

It is a violation of LFI policy to solicit or compensate a downline Independent Member to voluntarily resign his/her Independent Membership solely for the purpose of advancement in the Compensation Plan.

*\*All correspondence must be signed and officially notarized.*

## **15. Poaching**

LFI prohibits current and former Members, either directly or through a third party, from promoting another company's business to any currently registered Customers or Members of Life Force International. Members shall not solicit Members or Customers to any other REFERRAL MARKETING, network marketing or direct sales business except those Members they personally sponsored.

Personally sponsored is a term given to a Member who is both the registered enrollment and placement sponsor of a Life Force Customer or Member.

Violation of this policy by a Member constitutes voluntary resignation and cancellation of their Independent Member status, effective the date of the violation, and the forfeiture of all bonuses payable for and after the calendar month in which the violation occurred. If LFI pays any bonuses for and after the calendar month in which the violation occurred, these shall be refunded to LFI. Any cross sponsorship or cross recruiting is strictly prohibited, and may result in disciplinary measures listed in policy 57.

Violations of this policy are especially detrimental to the growth and sales of other independent Members' businesses and to LFI's business. Therefore, LFI may seek and obtain from the violating Member damages for violations of this policy. If litigation or arbitration is undertaken to recover bonuses or damages as specified herein, the prevailing party shall be entitled to an award of legal fees and expenses.

## **16. Proprietary Information and Trade Secrets**

By joining LFI, an Independent Member acknowledges that all Membership information contained in any report provided by LFI that includes, but is not limited to, names, email addresses, mailing addresses, and telephone numbers of LFI Members and Customers is considered LFI's proprietary trade secret

information. The Member agrees not to disclose such information to any third party or use such information for non-LFI purposes. The Member acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to LFI and to independent LFI businesses. LFI and its independent Members will be entitled to injunctive relief to prevent violation of this policy. If litigation or arbitration is required to obtain injunctive relief or to recover damages, the prevailing party shall be entitled to an award of legal fees and expenses.

## **INDEPENDENT MEMBER & SPONSORING POLICIES**

### **17. Direct Solicitation to LFI**

From time to time, LFI may receive inquiries from the public about its products and opportunity. When this occurs, the company tries to ascertain whether the contact with the company resulted from a Member's sponsoring/prospecting efforts. If so, the inquiring party will be referred to that Member. Prospective Members and Customers, who have simply heard of LFI without any discoverable contact with a Member, will be informed of their need to have a sponsor. LFI will not distribute leads.

### **18. Sponsoring**

Members have the right to recruit or sponsor others into an LFI business. If a Member chooses to place a new enrollee somewhere other than on their first level, they are only permitted to do so within the same downline leg of the enrollment sponsor.

Any Member who sponsors other Members must fulfill the obligation of performing bona fide supervisory, training and selling functions in the marketing of LFI products and program benefits. First, sponsors should teach their organization that nutritional and dietary supplements are food products—not medicines. Second, during their marketing presentations, sponsors must not make exaggerated claims of financial rewards. Ultimately, sponsors are compensated for the products distributed through their sales and marketing organizations.

### **19. International Sponsoring**

Members may only sponsor people in countries where LFI is authorized to conduct business. Legal requirements differ for each country, so sponsors should not assume that Membership requirements are the same worldwide. Some countries, for example, legally require both application forms and fees. International sponsors are subject to the

policies and procedures set forth by LFI in each country where they build a marketing organization. Also, Members should be aware that prices vary from country to country due to governing economic influences such as taxation, freight and importation duties. LFI Members must utilize only authorized distribution channels to build their marketing organizations. Members may not individually import, export or distribute LFI products or business building tools in any country. Violators of this policy shall be subject to the laws governing that country. Violators of this policy are likewise subject to the disciplinary measures listed in policy 57.

## **20. Unauthorized Countries**

Members are not allowed to sell, advertise, market, or ship LFI products, the business opportunity or any other LFI related services to countries LFI does not have official authorization to conduct business in. Violation of this rule may lead to legal problems, which is very damaging to LFI's reputation and standing with regulatory agencies. Members who participate in this activity will be held directly liable and will be subject to the disciplinary actions detailed in policy 57.

## **21. Enrollment and Placement Sponsor Changes**

It is highly recommended that all new Members be placed on the first level of their Enrollment Sponsor upon registration, meaning that the Enrollment Sponsor and Placement Sponsor is the same person. Any placement of a new Member or Customer other than on the first level will be considered the Enrollment Sponsor's one placement for that Member or Customer. Upon registration, a Member or Customer understands that his/her Enrollment Sponsor may change their Placement Sponsor following the guidelines below.

All Enrollment and Placement Sponsor changes or transfers must be sent to LFI in writing on the specified form.

All Members agree that the decision to allow or disallow a transfer of Enrollment or Placement Sponsorship, and whether the required approvals have been obtained, will be at LFI's sole discretion.

### **21A. New Enrollee Placement Change**

An Enrollment Sponsor will have three full calendar months from a new Member's registration date to place this first level Member on a lower level in the Enrollment Sponsor's downline organization. The same three calendar month time period applies for Customer placement changes. For example: If a new Member or Customer joined on January 15th,

the Enrollment Sponsor would have until the last day of April to place that new Member or Customer anywhere in their downline. The placement change of a new Member may only occur one time. Multiple Membership moves will not be permitted.

Any downline the new Member has generated during the initial three calendar-month period, and up until the change is made in the genealogy, will be moved with them in the event of a placement change.

Enrollment sponsorship may also be permanently transferred to the new Placement Sponsor during the initial three-month period. This is optional and must occur at the time of Placement Sponsor change. After the initial three full calendar month period, enrollment sponsorship cannot be transferred. However, in the event that a Member or Customer's Enrollment Sponsor resigns or terminates, enrollment sponsorship will be transferred to the resigning Member's Enroller.

The placement change request must be submitted on the New Enrollee Placement Change Form, and must include the Enrollment Sponsor's signature. The placement change form must be received by LFI no later than midnight on the last day of the third full calendar month from the new enrollee's date of registration.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

### **21B. Platinum and Above Biannual Placement Change**

The Enrollment Sponsor of the Member to be transferred must be a Platinum or above in the month prior to requesting the change. Both the new Placement Sponsor of the transferred Member and the Enrollment Sponsor must be on a minimum of 100 BV Autoship.

The Enrollment Sponsor may place a Member along with his/her downline on a lower level in the Enrollment Sponsor's downline organization. This move can only be made if the organization to be moved has no more than 9,999 BV within six levels of uncompressed volume for the month previous to when the change will be processed. In addition, the new Placement Sponsor's organization must have a greater total group volume than the organization being moved under him/her. Organizations with greater than 9,999 BV within six levels of uncompressed volume for the month prior will not be permitted to move. Only one of these moves will be allowed in any 6-month

period. The placement change must be submitted on the Biannual Placement Change Form and must include the notarized signatures of the current six direct upline Members, the Enrollment Sponsor submitting the request, and the transferring Member.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

### **21C. Changes in Upline Placement Sponsor**

An individual Member may request to change their Placement Sponsor at any time. Upon approval by LFI, the Member requesting an upline placement sponsor change will receive a new LFI identification number. The Member's existing downline organization will roll up to the immediate previous sponsor, and the enrollment sponsorship of any Members who had been previously enrolled by the transferring Member will be transferred to the resigning Member's Enroller.

The upline placement change must be submitted on the Upline Placement Change Form and must include the notarized signatures of the Enrollment Sponsor and the current six direct upline Members. Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

### **21D. Upgraded Member Placement Change**

Customers may elect to change their status and become a Member at any time during the calendar month. If a Customer chooses to upgrade to Member, the Enrollment Sponsor will have three full calendar months to place this Member on a lower level in the current Placement Sponsor's downline organization.

Any downline that the newly upgraded Member has generated during the initial three calendar month period from the time they upgraded, and up until the change is made in the genealogy, will be moved with them in the event of a placement change. If this newly upgraded Member has not yet established a downline, the Enrollment Sponsor may elect to move this Member anywhere in their downline organization.

The placement change request must be submitted on the Upgraded Member Placement Change Form, and must include the Enrollment Sponsor's signature. In addition, if the enrollment sponsor requesting the placement change is not the current Placement Sponsor, then the notarized signature of the current Placement Sponsor is also required to complete the request.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

### **22. Sponsor Change Processing Deadline**

Transfer requests will be accepted at all times; however changes will only occur between the 10th and 22nd of any calendar month. Any changes received after the 22nd of any calendar month will be effective for the following month. All Members agree that the decision to allow or disallow a transfer of sponsorship, and whether the required approvals have been obtained, will be at LFI's sole discretion.

If a signature or required notary stamp is missing when LFI receives the documents, the deadline of the 22nd will not be extended. The corrected form will be reviewed for the following month. Any changes that have not been received in complete form will be sent back to the Enrollment Sponsor listed on the form.

### **23. Upline Sponsor Signature Policy**

If an Enrollment Sponsor, after a reasonable amount of time (or "after a reasonable attempt"), cannot obtain one of the six direct upline notarized signatures required for Platinum and Above Bi-Annual Placement Change (Policy 21B) or a Change in Upline Placement Sponsor (Policy 21C), the following steps shall be taken:

- a. LFI will send a certified letter to the unresponsive upline sponsor requesting his/her response to the Placement Change request within ten business days from the day of receipt.
- b. If no response is received by LFI within ten business days, LFI will allow the notarized signature of the next upline sponsor in the upline signature tree (above six levels) to replace the unresponsive upline sponsor's signature for that move.
- c. LFI will send a second certified letter to the unresponsive upline sponsor regarding future notarized requests for Placement Changes. If no response is received by LFI within 30 days, the upline sponsor will be permanently removed from the upline signature tree and their signature would not be required for any future placement change requests that require the six direct upline signatures.

Any Member found promoting any other referral marketing, network marketing, or direct sales business constitutes voluntary resignation and cancellation of their right to withhold their notarized signature on a Platinum and Above Bi-Annual Placement Change or a Change in Upline Placement Sponsor request.

## 24. Notary Policy

If a notary has any connection or interest in a change being processed that requires notarized signatures, he/she may not be used for the required signatures. The signing Member must commission a notary in the same state that the documents are signed and notarized. In addition, each notarized signature must be stamped and dated the day it is witnessed.

## BONUS & COMPENSATION POLICIES

### 25. Bonus Qualifications

Members must meet published personal retail sales requirements as well as supervisory responsibilities to qualify for bonuses, advancements or incentives. These requirements are detailed in approved LFI literature and apply to each bonus period.

All bonus errors must be reported within 60 days for review. LFI will not be responsible for any errors or omissions reported after 60 days.

### 26. Checks and Business Management System

Bonus checks are mailed by LFI to Members on the 10th day of each month for bonuses earned during the previous month. When the 10th day of the month falls on a weekend or national holiday, checks will be mailed on the next business day. Any checks for \$5.00 or less will be held and added to the next month's check.

The bank will not honor bonus checks that have not been cashed for more than 90 days. Members in possession of expired bonus checks will be issued a replacement check upon receipt by LFI of a written request from the Member to whom the original check was issued. The original check must accompany the replacement request. Lost checks require a \$15 stop payment and reissue fee.

A Business Management System (BMS) will be printed for Members receiving a bonus check. The BMS will show the calculation of a Member's bonus in detail. Members should use their BMS as a tool to manage, supervise and train the Members of their MARKETING ORGANIZATION. For Members paid as an Associate 3 through Silver, a printed version accompanies your bonus check, and a small monthly fee is deducted from your check. For Members paid as Gold and above, an online version is provided for viewing anytime during the month, and a small monthly fee is deducted from your check. If a Member wishes to discontinue the online BMS and revert to the paper BMS accompanying their commission check,

the Member may contact the Customer service department to do so.

## PURCHASING & ORDERING POLICIES

### 27. Ordering Product

Using their Identification Number, Members or Customers may purchase products directly from LFI. We encourage Members to order early in the month. All orders are credited to the calendar month in which they are received by LFI. Orders may be placed by telephone, mail, email, website, or fax. Orders may be paid in cash, by personal check, electronic debit, money order, postal order, cashier's check, Visa, MasterCard, American Express or Discover. When paying by credit card, please include the card number, expiration date and CVN/AVS number.

Email an order to:

lifeforce@lifeforce.net

Fax an order to: 1-800-809-8208

Telephone an order to: 1-800-531-4877

### 28. Automatic Orders

When Members and Customers choose to have their products automatically shipped to them on the day of the month they specify, the Members, the Customers and LFI all save money. Both Members and Customers purchase products at low factory-direct prices from the company. Automatic-order Members and Customers, however, enjoy an additional discount. We are able to offer this discount due to the improved efficiency automatic shipments promote. Furthermore, autoship Members and Customers are free to place additional orders and enjoy the same low autoship prices. The automatic order program provides two options:

- a. Autoship – The products a Member/Customer designates will be automatically processed each month on the day they specify, regardless of any other orders they have placed during the month. The Member/Customer can change the order up to five business days prior to the processing date.
- b. Autoqualify – The Member/Customer must designate a minimum business volume order. This order will be activated only when the total business volume of all orders placed prior to the processing date is less than the established Autoqualify order on file. All Autoqualify orders are processed five business days prior to the end of the month. The Member/Customer can change the order up to five business days prior to this processing date.

When the processing date of an automatic order falls on a weekend or holiday, the order will be processed the previous business day. To sign up for Autoship or Autoqualify, simply call Customer Services at (800) 531-4877 and let them know. They will gladly help place the first Autoship or Autoqualify order and establish a processing date.

Automatic orders may be paid by electronic debit, Visa, MasterCard, American Express or Discover.

### **29. Autoship Cancellations**

Automatic order cancellations must be received by LFI via phone, mail, email or fax at least five business days prior to the processing date. For prompt processing, request must include the Member/Customer Name and Identification Number. If an autoship package is returned or refused, the automatic order may be cancelled and the Membership may be subject to the disciplinary measures listed in policy 57. The terminated Member may not reapply for Membership for three calendar-months following the month in which the termination occurred.

### **30. Inventory Loading and the 70% Rule**

As an LFI Member, primary emphasis should be placed on product sales and distribution to end users. Members may purchase products for personal consumption and such sales are recognized as retail sales for end user consumption. However, the company does not require its Members to maintain an inventory and acts as a fulfillment house by servicing Customers who purchase factory direct.

The company expressly prohibits purchases of products solely for bonus qualification. Any Member found to be promoting inventory loading may be subject to the disciplinary actions listed in policy 57. LFI reserves the right to verify that inventory loading is not being practiced by randomly sampling those Members receiving bonus checks. Members must certify that over 70% of previously purchased company products have been sold or consumed before further products can be ordered.

Members who are residents of Georgia, Indiana, Maine, North Dakota, Michigan, and West Virginia are limited to purchases of \$495.00 during their first 6 months of Membership. If purchase limits are established by other states, this policy shall be automatically modified to comply with the law.

### **31. Returned Remittances and Delinquent Payments**

Returned checks and rejected payments constitute a breach of the agreement, and a service fee will be charged. It is strictly a Customer or Member's responsibility to keep their method of payment current. Expired credit cards, returned checks or insufficiently funded debit accounts may result in a loss of earnings. Orders will not be shipped, and sales volume will not count if payment has not been collected.

Returned checks and rejected payments will result in a \$25.00 charge. A second returned check results in a further \$25.00 charge and loss of privilege to purchase by check.

Payments of returned checks and delinquent payments are to be made via money order, cashier's check or credit card only.

In the case of automatic orders, if payments are declined three consecutive months, the automatic order will be permanently cancelled.

### **32. Unauthorized Purchases**

Any sponsor who registers a new Customer or Member without their authorization and then places an initial or automatic order for the new person without their permission, will be responsible for the purchase, all shipping and handling fees, and a 10% administration fee. Offenders are also subject to the disciplinary measures listed in policy 57.

### **33. Back Orders**

If an item ordered is temporarily out of stock, the packing order will have the notation "Back Ordered" under the product description. Once the product is available, it will be shipped priority at no additional charge. Back ordered products are paid for when ordered. BUSINESS VOLUME is accrued for the bonus period in which the order was placed.

### **34. Order Errors**

Members should notify LFI immediately of any errors or questions about orders or charges. All packages are accurately weighed and contents are recorded, however, in the unlikely event an item is missing from a package, contact the company within five business days of receipt, otherwise, it will be assumed that the complete order was received.

LFI will correct any charge errors that are reported within 60 days, but LFI will not be responsible for

any errors, omissions or problems not reported within 60 days.

### **35. Shipping**

Orders received and processed prior to 2:00 p.m. (PST) Monday to Friday should normally be shipped the same day. Orders received and processed after 2:00 p.m. (PST), on weekends, or on holidays should be shipped the next business day.

### **36. Postage Charges and Options**

LFI has no minimum order restrictions. All orders are shipped via the carrier under contract with LFI and these charges are passed on to the end consumer. Alternative shipping options are available at the market rate. Ask a Customer service representative for details.

### **37. Will Call Orders**

Will Call orders are available at the Life Force distribution facility. All orders must be placed at the will call desk whether they are paid by credit card, electronic debit, cash, personal check or money order. Members and Customers who wish to receive their automatic order at the will call counter must select the Autoqualify option and place their qualifying will call order prior to the autoqualify processing date. Will call is not available for the Autoship option.

### **38. Customer Product Guarantee**

If a Customer cancels an order placed directly with LFI within 72 hours of purchase, LFI will refund 100% of the purchase price, including shipping and handling fees and tax (if applicable). If the order has been shipped within this time period, return shipping fees are the responsibility of the Customer. LFI will process these refunds within ten business days of receipt of the product(s).

If, after purchasing Life Force product(s) and using them for a reasonable amount of time you are not completely satisfied, you shall receive a 100% refund or replacement, less shipping and handling costs when product(s) are returned either used or unused and received by LFI within 45 days of purchase date. Once LFI's shipping department receives the product(s), refunds will be issued within 30 days. Returns exceeding 45 days of the purchase date will not be honored, whether the product(s) are sealed or opened. Return shipping fees are the responsibility of the Customer. Proof of purchase (invoice, copy of invoice, or invoice number) is required for all refunds and replacements.

To maintain BV statistics, Life Force will not process returns on the last two business days of

the month, but will instead process these returns on the first business day of the next month.

### **39. Member Product Guarantee**

When a Member purchases product(s) from LFI, the Member shall receive a 100% product price refund or replacement, less the original shipping and handling costs when products are returned either used or unused and received by LFI within 45 days of the purchase date.

After 45 days, but within 12 months from the purchase date, Members are eligible to receive a 90% product price refund or replacement less shipping and handling, only if the products have been unused and are within the appropriate shelf life period stamped on the product label. Seasonal, discontinued, or special promotional packages along with non-mandatory elective sales aids are limited to the 45-day return time limit. Once LFI's shipping department receives the product(s), a refund will be issued within 30 days. Return shipping fees are the responsibility of the Member. Proof of purchase (invoice, copy of invoice, or invoice number) is required for all refunds and replacements.

To maintain BV statistics, LFI will not process returns on the last two business days of the month, but will instead process these returns on the first business day of the next month.

LFI will honor refund policies provided by any state or federal law applicable to the Member (Georgia, no time limitation and Massachusetts, no time limitation on monthly qualification purchases). LFI will clawback all bonuses and incentives paid to Members relating to the purchase of the products being returned. Any refund requests may cancel the Independent Member Agreement at the option of LFI. However, LFI will interpret the following actions as the Member voluntarily resigning their Membership: 1) A Member makes three returns for refunds in a rolling 12-month period; or 2) A Member returns over \$300 worth of merchandise at any given time.

### **40. Retail Customer Purchase from Member**

When an independent Member sells product(s) to a retail Customer totaling at least \$25, they are required to provide at least two copies of the sales receipt with the retail Customer policy, reviewing the return and cancellation rights entitled to the purchaser. A retail Customer is defined as a person who is not registered with LFI that purchases product(s) from an independent Member.

If a retail Customer makes a purchase from an independent Member, that Customer has the right to notify the selling Member of their desire to cancel their order without penalty, reason or obligation within three business days from the purchase date. (*Note:* This rule does not apply if the transaction is made entirely by email, telephone, or mail order.) To cancel, a retail Customer is required to deliver a copy of the sales receipt to the Member. Mailed receipts must be postmarked by midnight of the third business day. Monday through Saturday are considered to be business days. Sundays and federal holidays are not. The retail Customer will then keep the other copy of the sales receipt for personal records. The Member must refund the Customer 100% of the total order amount originally paid within 10 days of receiving the receipt and cancellation notice.

When a retail Customer cancels their order, they must return the product(s) to the Member in as good of condition as it was in when it was purchased. The product(s) will need to be received by the seller within 20 days of the date of the cancellation notice. If the Customer makes the product(s) available to the Member and the Member does not pick them up, that individual may either keep or dispose of the product(s). If the Customer fails to make the product(s) available to the selling Member or if the Customer agrees to return the product(s) to the Member, but fails to do so, then they will remain liable for the performance of all obligations under the original contract. In the event the product(s) are shipped back to the Member, the shipping fees incurred are the responsibility of the selling Member.

All Members are expected to honor the retail Customer policy in a prompt and courteous manner. Failure to do so is a serious violation of LFI's policies and may result in disciplinary measures listed in policy 57.

## **ADVERTISING & MARKETING POLICIES**

### **41. Product Display & Retail**

LFI strongly supports home-based businesses and personal product presentations. To maintain a standard of fairness, Members may not stock or sell LFI products at retail establishments. Retail establishments are defined as businesses that are available for open entry by the general public and its primary function is the retail sale of products.

Examples of these would include health food stores, pharmacies, grocery stores and

supermarkets, kiosks, chain/franchise stores, flea markets, swap meets and malls. Owners of retail establishments may be sponsored into LFI, but are required to conduct their business outside of the establishment. A small promotional display of literature with the sponsor's contact information is allowed with an empty container of product at the sales counter.

LFI further prohibits the retail sale of products through any online retailer or auction sites, including, but not limited to, currently operating commercial auction sites. This policy is necessary to protect the integrity of the company and its products and is not intended to harm the Member in any manner.

Members who have service-oriented offices will be allowed to display and sell products within their place of business. A service-oriented establishment is defined as a business where entry by the general public would require a Membership or appointment and its primary function is the sale of professional services.

Examples of these would include doctor's offices, chiropractors and other health professionals, health clubs/gyms, barbers, salons/spas, nail shops, or counseling centers. Exterior signs or window displays are not allowed at any location.

### **42. Restaurants/Coffee Houses/ Juice Bars**

LFI will permit establishments such as restaurants, coffee houses, and juice bars to add LFI products to the foods and beverages produced by the establishment. However, retail sales of LFI product individually are not permitted per policy 41.

A small promotional display of literature with the Member's contact information along with an empty container of product at the sales counter is permitted.

### **43. Resale Product Pricing**

Members are free to resell LFI products to Customers at current market prices at their own discretion. However, at no time shall a Member be permitted to sell or market the sale of LFI products at any price below the Company "factory-direct prices." Factory-direct prices shall be defined as those prices regularly available from the Company, excluding Autoship pricing.

Violation of these policies may result in disciplinary measures listed in policy 57.

#### **44. Reproduction of LFI Materials**

The use or reproduction of any current or previously LFI published material is not permitted without the written consent of LFI.

#### **45. Trademark, Service Mark, and Trade Name Restrictions**

Members may not, in their independent marketing material, use, reproduce, or disseminate LFI's corporate logo, registered trademarks or service marks except in the use and dissemination of literature or other published items made available by LFI. This applies to all trademarks or service marks designating products or services offered by LFI. Members are allowed to use LFI's trade names and product names when describing or discussing LFI, the business opportunity and LFI's products in their sales aids. This may include, but is not limited to using the acronym "LFI", the terms "Life Force" or "Life Force International" and any product names. However, a website domain name, redirect website link or email address created by an independent Member may not contain any of LFI's trade names and/or product names.

Examples of these would include:

support@lifeforcesupport.net  
www.osteoprocurehealth.com  
info@LFItteam.net

Members may use the "Independent Member" logo developed by LFI on business cards, letterheads, envelopes or any other advertising (see policy 47). The independent Member logo may not be combined with any non-LFI products or services.

#### **46. Unsolicited Fax and Phone Blasts**

Soliciting anyone for product sales, business opportunities, or other marketing ventures by fax or phone blasts without their prior consent or request is prohibited. Violation of this policy may result in disciplinary measures detailed in policy 57.

#### **47. Restrictions on Advertising**

Members who create, publish, or distribute any literature, audio or video tapes, telephone ads/messages, radio or television ads, materials or merchandise representing LFI, its products, services, compensation plan or business opportunity, other than that which is provided by LFI, or that which contains only information that is set forth in the current marketing materials of LFI, take full responsibility for the content of such advertising and are expected to stay abreast to current guidelines to help ensure their material

is within compliance. Life Force International is not responsible or liable for marketing materials Members create outside of corporate sanctions.

Each promotional item independently created by an LFI Member that promotes LFI, its products, services or compensation plan must be truthful, substantiated and not misleading. In addition, the following disclaimers must be present at the end of a Member's marketing piece: "Distribution within the U.S. market only" and "This [Insert type of advertising] was prepared by an Independent Life Force International Member." For those Members who create an independent website, these statements must be present on every page of the site. The above-mentioned statements must appear in a manner that is both clear and conspicuous to the reader.

If a Member chooses to make a product structure/function claim in their advertising, the only structure/function claims authorized for use are the ones pre-approved by Life Force International as detailed in the Member Marketing Guidelines. A structure/function claim is defined as a claim that describes the role of a nutrient or dietary supplement that affects the normal structure, function or general well-being of a person. At the end of a structure/function claim, an asterisk (\*) must immediately follow. Furthermore, in close proximity the following FDA statement in a headline box must appear:

\*These statements have not been evaluated by the FDA. These products are not intended to diagnose, treat, cure, or prevent any disease.

LFI strongly encourages Members to use corporate sanctioned materials. LFI is available to provide assistance to Members who have questions about marketing policies in relation to creating their material. However, LFI cannot provide an official review or approval code for any independently created marketing material, including websites. Marketing Guidelines are provided on the corporate website to assist Members in ensuring independent materials are within compliance.

Violation of this policy could cause misrepresentations or other legal improprieties in the display, advertisement, or promotion of LFI products, services or marketing plan, which could be injurious to LFI's image, reputation, and standing with various regulatory agencies. A Member who creates and uses promotional materials outside of compliance and company guidelines will be held personally liable and will be subject to the disciplinary measures listed in policy 57.

## **48. Independent Member Website Policy**

Life Force Members may create websites that promote LFI, its products, services or compensation plan, however must meet the requirements set forth in policy 47.

In addition to the requirements detailed in policy 47, Member websites that have any testimonials, product structure/function claims or general statements pertaining to LFI products/product ingredients must be a minimum of two web-page clicks away from where the products can be purchased. The clicks cannot contain additional testimonials, claims or comments about LFI products and/or product ingredients. Refer to the Member Marketing Guidelines for further details. For optimum security, Life Force International encourages Members who take product orders to provide a redirect link to either the LFI corporate website or a Member's self-replicating site provided by LFI as an alternative to keeping payment records in unspecified locations.

Life Force International is aware that many LFI Members sell and promote products and business opportunities aside from LFI. In order to maintain the LFI level of excellence and product integrity, all Life Force Members web sites shall be solely limited to promoting and selling Life Force products. No competitive products and services may be included or linked to the Member's web site.

Violation of these policies may result in disciplinary measures listed in policy 57.

### **48a. Spamming**

Spam is defined as an unsolicited email or electronic message, often of a commercial nature that is sent indiscriminately to multiple mailing lists, individuals or newsgroups. Spamming to Internet users is prohibited. Violation of these policies may result in disciplinary measures listed in policy 57.

### **48b. Free Product Giveaways**

In order to maintain a standard of fairness to all our Members, we must limit the number of bottles of product that can be given free with a purchase. For all print media and websites, one (1) bottle of the product of your choice may be given away free for every eight (8) bottles of products purchased. This is capped at a maximum of one (1) free bottle of product given away free per eight (8) bottle order. No more than one (1) bottle of free product can be given away per order, regardless if more than the

minimum of eight (8) bottles is being purchased. Any order less than eight (8) bottles purchased, is not eligible for a free product giveaway.

### **48c. Free Shipping Offers**

Free shipping can only be offered on first time orders, with the commitment of autoshipment. Offers cannot be combined. Either a free product may be given away (see policy 48b above) or free shipping may be offered. This can only be offered on the first order and cannot be ongoing.

## **49. Lead Generation and Downline Building Services**

Members should carefully consider whether to organize or participate in lead-generation campaigns or downline-building organizations. LFI does not endorse or guarantee success in such programs. In addition, all lead generation and other related downline building services are prohibited from being displayed, linked, or used in a Member's independent website.

## **50. Trade Shows and Fairs**

LFI Members are allowed to display and sell LFI product at venues such as trade shows and fairs. It is expected that the Member conduct him/herself in a fair, honest, reputable manner and follow all of the company's advertising and marketing guidelines. The advertising, distribution, or marketing of products or services not related to LFI will not be permitted at the same table or booth with LFI's materials. In addition, the display table or booth used must be clearly represented as an independent Member's presentation, not as an LFI corporate-sponsored presentation.

## **51. Audio & Video Advertising**

Audio and video advertising created by Members, including but not limited to radio and television ads, slide shows, tapes, compact discs, computer generated audio files, must adhere to the guidelines set forth in policy 47. It is also required that the advertisement follow a detailed transcript verbatim to forgo any unapproved information from being relayed. As reviewed in policy 54, in the event that a Member is contacted by the media inquiring about LFI's products, compensation plan or services, the Member must refer the media representative to the LFI corporate office.

In addition, for audio and video ads, the following disclaimer statement must be stated: "This advertisement has been paid for and produced by (Member's name), Life Force Independent

Member". Members are expected to follow the marketing guidelines set forth as to what can and cannot be said about LFI products, services and/or business opportunities.

### **52. Member Telephone Message**

When Members create a phone message for their LFI business prospects, they are required to clearly state that they are an independent Member of LFI. This is necessary to ensure that the caller is aware that they are speaking to an individual Member and not the corporate office.

Examples of this would include: "You have reached the voicemail of (Member's name), Independent Life Force Member", or, "Thank you for calling Life Force Independent Member (Member's name)."

### **53. Telephone Yellow/White Page Listing**

If a Member chooses to post a listing for the yellow or white pages, their listing would need to be listed under one of the following sections: health supplements/foods, food supplies, holistic/alternative health, nutrition, herbs, fitness, or beauty. The only information allowed to appear is the Member's name, LFI identification (ID) number, "Life Force Independent Member," and a contact phone number. The use of any images, including the Independent Member logo, is not permitted for use in this sort of advertising.

Example:

Mary Smith

Life Force Independent Distributor

ID#123456

(xxx) xxx-xxxx

## **MISCELLANEOUS POLICIES**

### **54. Media Inquiries**

It is LFI's policy to have a single spokesperson handle all corporate inquiries from the media and all media relations. Therefore, Members may not for any reason act as the legal representative or LFI spokesperson if approached by the media regarding LFI, its compensation plan, its products, or services (see policy 4). It is in violation of this policy for a Member to represent him/herself as such, regardless of whether the information is positive or negative, accurate or inaccurate. All inquiries Members receive from the media (whether radio, television or print) must be referred to LFI.

### **55. Member/Employee Relations**

Company employees are trained to be courteous and professional in all contact with the public. Should a Member ever receive less than this

from company personnel, they should document the situation and forward it to an executive staff Member for immediate review.

Members are expected to extend these same courtesies when dealing with corporate office staff, via telephone, internet or in person. Company employees are not required to endure any abuse. Whenever they feel this is occurring, they are to turn the call over to a supervisor. If this is not possible they are to politely end the conversation and document the incident. This documentation will also be forwarded to company executives for review. In severe circumstances offending Members may be subject to the disciplinary measures listed in policy 57.

### **56. Compliance Claim and Investigation Procedure**

The responsibility and duty of the LFI compliance department is to make sure all inquiries, investigations and grievances related to the policies and procedures are handled in a fair and objective manner without prejudice to any party. Because of this, the compliance department must act on claims that can be substantiated with proof of the alleged violation in question. LFI will not tolerate or condone Members participating in filing untrue claims for any reason. Reports of alleged policy violations or questions must be submitted in writing to the attention of the compliance department. Upon receipt of such items, the compliance department will conduct all necessary research and follow through with all parties accordingly.

### **57. Disciplinary Measures**

All of the policies in this Statement of Policies, which constitutes the Independent Member Agreement, and any other agreements entered into by and between LFI and the Members are material terms to the agreement between LFI and the Members. Any violation of the terms and conditions entered into by and between LFI and the Members or the Statement of Policies or any illegal, fraudulent, deceptive or unethical business conduct by a Member may result, at LFI's discretion, in one or more of the following corrective measures:

- a. Issuance of a written warning;
- b. Imposition of a fine to be withheld from future commission checks;
- c. Suspension or termination of current and future commission checks;
- d. Reassignment of all or part of their marketing organization;

- e. Suspension of their independent Member agreement;
- f. Termination of their independent Member agreement;
- g. Any other measure expressly stated within the policies set forth in the Statement of Policies.

Should a Member be terminated for cause, any rollups will be at the sole discretion of LFI. Should a terminated Member wish to re-apply for Membership, approval from a senior Executive will be required.

### 58. Indemnity

Each Member shall hold the company harmless for any claims, damages, or liabilities arising from the Member's misrepresentation, negligence or failure to follow these policies and procedures.

### 59. Statutory Precedence

LFI's Statement of Policies is subject to the prevailing laws governing our industry. These laws take precedence over any item included herein.

### 60. Program Modifications

In order to maintain a viable business and to comply with governing laws and economic conditions, LFI has the sole right and discretion to modify its compensation plan, product line, pricing or policies without notice. Such modifications shall be immediate.

### 61. Social Networking Site

If a Life Force Member or Customer belongs to a social networking site, i.e. Facebook, My Space, Twitter, etc. they must represent themselves as an Independent Member of Life Force International to avoid confusion with the corporate account. For example, the account name would need to read "Life Force International Independent Member, or "Independent Member, Life Force International.

## GLOSSARY OF TERMS

**Identification number** – The computer-generated number used by LFI to establish a genealogy, track sponsoring efforts, purchased products and generates bonus payments.

**Household** – Lifetime partners, immediate family (parents, children or spouse) or dependents residing at the same address.

**Referral marketing** – A method of marketing whereby Members refer Customers and other Members they enroll directly to LFI for product purchases. Both Members and Customers enjoy the same factory-direct pricing, but only Members are compensated for promoting LFI and for building a marketing organization.

**Business volume** – The volume assigned to product purchases used to calculate bonuses and award incentives.

**Bonus recap statement** – The accounting record LFI prepares monthly that tracks purchase activities for a marketing organization.

**Marketing organization** – All levels of individuals and business entities for which LFI provides compensation.

**Enrollment sponsor** – A Member of LFI who personally enrolls other individuals as Members or Customers.

**Placement sponsor** – A Member or Customer's immediate upline.