



Nerium International Germany GmbH Policies and Procedures Manual

As a Brand Partner of Nerium International Germany GmbH (hereafter the “GmbH”) which is an affiliated company (in the meaning of § 15 AktG) of Nerium International™, LLC (hereafter the “Company”), you are required to understand and comply with all rules, regulations, policies and procedures contained in this Brand Partner Policies & Procedures Manual (the “Policy Manual”). The GmbH reserves the right to amend this Policy Manual by transmitting amendments to you as it deems appropriate whereas any amendments shall reasonably consider the interests of the Company, the GmbH and the Brand Partners. Unless you object to an amendment within four (4) weeks after the receipt of the information about the amendment, the amendment will be effective also for you. The GmbH herewith entitles the Company to legally represent it in connection with its Agreement with you so that also any declarations made by the Company are also binding.

The Company honors all U.S. federal, state and local regulations and the GmbH all applicable German regulations governing network marketing and requires every Brand Partner to do the same. It is, therefore, very important that you read and understand the information contained in this Policy Manual. If you have any questions regarding any rule or policy, seek an answer from your Sponsor, upline leader, the GmbH or the Company Department of Ethics and Compliance. The Code of Professional Ethics is included in Section 12 of this Policy Manual; you should review these materials and make them a part of your planning.

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SECTION ONE: BRAND PARTNER STATUS

1.01 **Becoming a Brand Partner.**

An applicant becomes an Independent Brand Partner (“Brand Partner”) of the GmbH when the following requirements are fulfilled:

- The applicant’s completed Brand Partner Application and Agreement (the “Agreement”) and any related documents have been received and accepted by the GmbH;
- The applicant purchases, for a reasonable price at Company cost, a Brand Partner Launch Kit, which contains Brand Partner Forms, Company information and brochures, which are sales materials (not for resale). This sum is not a service or franchise fee, but rather is strictly to offset costs incurred by the Company for educational and business materials required for a Brand Partner of the GmbH.

The GmbH reserves the right to decline to accept any Agreement.

1.02 **No Purchase Required.**

Except as set forth above, no purchase is required to become a Brand Partner.

1.03 **Brand Partner Obligations and Rights.**

A Brand Partner is authorized to sell the Company’s products and services and to participate in the Company’s Compensation Plan. A Brand Partner may, but is not obliged to, sponsor new Brand Partners into the Company.

1.04 **Legal Age.**

A Brand Partner shall be of legal age to enter into a binding contract in the state of Brand Partner’s residence.

1.05 **Common Address.**

No more than three (3) Brand Partners or Customers may ship Company’s product to the same shipping address.

1.06 Married Couples.

Married couples and their dependent children shall share a single Brand Partner entity. Brand Partners who subsequently marry shall maintain separate Brand Partner status unless one is the direct Sponsor of the other, in which case their Brand Partner entities may be consolidated. When a couple sharing a Brand Partner entity divorces or separates, the Company will continue to pay commission checks in the same manner as before the divorce or separation until it receives written notice, signed by both parties or issued by a court order or decree, which specifies to whom future commission checks should be paid, provided the couple has complied with the requirements of Section 5.03, if applicable.

1.07 Simultaneous Interests.

A Brand Partner and spouse and dependents may not have simultaneous beneficial interests in more than one Brand Partner position entity. For example, a shareholder of a corporation that is a Brand Partner may not become an individual Brand Partner.

1.08 Corporations, Partnerships, Limited Liability Companies, and Trusts.

Corporations, Partnerships, Limited Liability Companies or other forms of business organizations and/or trusts may become a Brand Partner of the GmbH when the Agreement is accompanied by copies of the following documents within thirty (30) days after the Agreement is accepted; otherwise, the Brand Partner position may go into suspension:

- a) Articles of incorporation, Partnership agreement, trust documents and/or other governing documents, as applicable;
 - b) A complete list of all directors, officers and shareholders involved in a corporation, all general and limited Partners of a Partnership, members of a limited liability company or trustee(s) and beneficiaries of a trust, as applicable;
 - c) Such other documents and information as may be reasonably requested by the GmbH or the Company from time to time.
- Shareholders, directors, officers, partners, members, beneficiaries and trustees, as applicable, of a Brand Partner entity shall agree to be bound by the Agreement including the Policy Manual and the Compensation Plan.

1.09 Non-Profit Organizations.

Non-Profit Organizations may become a Brand Partner of the GmbH when the Agreement is accompanied by copies of the following documents within thirty (30) days after the Agreement is accepted; otherwise, the Brand Partner position may go into suspension:

- a) Articles of incorporation, Partnership agreement, trust documents and/or other governing documents, as applicable;
- b) A complete list of all directors and officers involved in the Non-Profit Organization and who is authorized to enter into a contract on behalf of the organization, as applicable;
- c) Such other documents and information as may be reasonably requested by the GmbH from time to time.

Directors, officers, partners and members, as applicable, of a Brand Partner entity shall agree to be held personally liable to the Company and bound by the Agreement and the Policy Manual and the Compensation Plan.

1.10 Fictitious and/or Assumed Names.

A person or entity may not apply as a Brand Partner using a fictitious or assumed name without Company approval, which may be withheld in the Company's sole discretion.

1.11 Independent Contractor Status.

A Brand Partner is an independent contractor. Brand Partner is not a franchisee, joint venture Partner, business Partner, employee or agent of the GmbH or the Company, and Brand Partner is prohibited from stating or implying, whether orally or in writing, otherwise. Brand Partner has no authority to bind the GmbH or the Company to any obligation. The Company and the GmbH are not responsible for payment or co-payment of any employee benefits. Brand Partner is responsible for liability, health, disability and workers' compensation insurance. Brand Partner sets Brand Partner's own hours and determines how to conduct Brand Partner's business, subject to the Agreement and the Policy Manual and the Compensation Plan.

1.12 Taxation.

As an independent contractor, a Brand Partner will not be treated as a franchisee, Partner, employee or agent for tax purposes with respect to the Income Tax, Social Security, Unemployment, Health Insurance and Statutory Pension Laws.

1.13 Legal Compliance.

A Brand Partner shall comply with all applicable statutes, regulations and ordinances concerning the operation of Brand Partner's business. A Brand Partner is responsible for Brand Partner's own managerial decisions and expenditures, including all estimated income taxes.

1.14 Brand Partner Identification Number.

Brand Partners will be assigned a Nerium International ID number for purposes of the Brand Partner's business with the Company and the GmbH. This number shall be placed on all orders and correspondence with the Company and the GmbH, hereinafter referred to as the Brand Partner Identification Number ("BPIN"). The Company and the GmbH will use this number in all internal Brand Partner transactions.

1.15 No Exclusive Territories.

There are no exclusive territories for marketing or sponsoring purposes, nor shall any Brand Partner imply or state that Brand Partner has an exclusive territory. No franchise is granted and there are no exclusive territories for sales or sponsoring purposes. No geographical limitations exist on Brand Partner sponsoring within the United States or any country in which the Company is approved to do business.

1.16 Other Products.

A Brand Partner agrees that no products except the Company's products shall be sold or shown at any event where the Company's products are sold or shown. During the term of the Brand Partner Agreement, Brand Partner is prohibited from selling or promoting any competing products or services or marketing programs. This restriction also applies for a term of two (2) years after the term of the Agreement except sales or promotion to those Brand Partners personally sponsored by Brand Partner. Any Brand Partner found in violation of this subsection risks possible suspension pursuant to Section 4.02 and/or termination of the Agreement pursuant to Section 4.03 and participation in the Company Compensation Plan, and the GmbH will pursue all legal recourses to recover damages.

1.17 Cross-Group Selling.

Selling to other Company Brand Partners in order to receive credit for bonuses and advancement is prohibited. Brand Partner shall obtain all of Brand Partner's Company products, literature and materials directly from the Company. Any violation of this rule subjects Brand Partner to possible suspension and/or termination.

1.18 Contacts.

Brand Partners are to limit all corporate communication to the office and staff of the GmbH and the Company. No direct contact is to be made with the Company's partners, suppliers, consultants or hired professionals without the express written approval of the Company or the GmbH.

SECTION TWO: TERM AND RENEWAL

2.01 Term.

Subject to the provisions of Section Four, the Agreement shall have a term beginning on the date of acceptance by the Company and ending one year from the date thereof (the "Anniversary Date").

2.02 Annual Renewal.

A Brand Partner authorizes the GmbH to automatically renew their Brand Partner's status annually. A Brand Partner not renewing by the renewal date, as provided herein, shall be deemed to have voluntarily terminated their Brand Partner position relationship with the GmbH and will thereby lose their Brand Partner position, all sponsorship rights, their position in the Compensation Plan, all rights to commissions and bonuses and the ability to purchase products from the GmbH at wholesale prices. A Brand Partner who fails to renew his/her Brand Partner status may not reenroll under a new Sponsor for six (6) months after non-renewal.

2.03 Inactivity.

A Brand Partner who does not make any effort to sell products or solicit a new Brand Partner in any 180 consecutive-day period shall be automatically deactivated from Brand Partner status and converted to Retail Customer status instead.

SECTION THREE: SPONSORSHIP

3.01 Sponsoring.

A Brand Partner may sponsor other Brand Partners in any country in which the Company is authorized. The Company or the GmbH will inform the German Brand Partners about the respective countries on a regular basis. Sponsors shall ensure that each new Brand Partner has received, had access to and understands the Company's Agreement, the Policy Manual and the Compensation Plan. A Brand Partner will be compensated only for the generation of sales volumes, not for sponsoring new Brand Partners into the program.

3.02 Multiple Agreements.

If an applicant submits multiple Agreements that list different Sponsors, only the first completed Agreement to be received by the GmbH will be accepted.

3.03 Training Requirement.

Brand Partners are required to assure the adequate training of Brand Partners they sponsor. A Sponsor shall maintain an ongoing professional leadership association with Brand Partners in the organization and shall fulfill the obligation of performing a bonafide supervisory, distribution and selling function in the sale or delivery of products and services. Upon request, a Brand Partner must be able to provide the GmbH with evidence of ongoing fulfillment of Sponsor responsibilities, including training.

3.04 Income Claims.

No income projections, including those based solely on mathematical projections or "ideal projections" of the Company

Compensation Plan, may be made to prospective Brand Partners. Brand Partner shall not represent Brand Partner's income as an indication of the success assured to others, since income success depends upon many variables. Commission checks may not be used as marketing materials. Brand Partner shall not guarantee or estimate compensation, draws, expenses or deductions attributable to the business to prospects. Brand Partner shall truthfully and fairly describe and present the Compensation Plan. No past, potential or actual income claims may be made to prospective Brand Partners. Brand Partner may not guarantee commissions or estimate expenses to prospects.

3.05 Transfer of Sponsorship.

Although it is strongly discouraged and approval of the GmbH is seldom granted, a Brand Partner may transfer to a different Sponsor or Sponsorship line, subject to the written approval of the GmbH, which may be withheld in its sole discretion, subject to the following conditions:

- a) If the transferring Brand Partner is within the same Sponsorship group, notarized signatures are required from all Brand Partners that are, or may be, impacted by the move;
- b) If the transferring Brand Partner is outside the same Sponsorship group, a notarized statement signed by all affected upline Brand Partners shall be submitted reflecting that each affected party understands and consents to the transfer. Any request for transfer of Sponsorship shall be first submitted to the GmbH in writing explaining the reason for the request of transfer;
- c) A EUR 55.00 transfer cost compensation shall be paid to the GmbH;
- d) A written request for transfer explaining the exact reason for the requested transfer shall be submitted to the GmbH; and
- e) The final approval of the GmbH, if granted, will apply only to the Brand Partner making the request and not the Brand Partner's downline organization. Brand Partner shall comply with the requirements of section 5.03.

3.06 Preferred Customers Associated with Brand Partner.

As a general matter, the Company and the GmbH recognize that a potential Brand Partner should be entitled to sign on with any Brand Partner sponsor of their choosing. However, a unique circumstance exists when an existing Brand Partner has undertaken a very serious sales and relationship effort to cause a prospective customer to become, not merely a one-time retail customer, but a committed Preferred Customer. In this situation, the Company and the GmbH have determined that the very serious efforts of the selling Brand Partner should be honored and respected. To this extent, the Company and the GmbH have adopted a policy that a Preferred Customer who decides to become a Brand Partner will be deemed to be associated and sponsored by the original Brand Partner who originally expended the effort to sign up the customer as a Preferred Customer.

SECTION FOUR: RESIGNATION/TERMINATION

4.01 Voluntary Termination

- a) A Brand Partner may voluntarily terminate Brand Partner's status by failing to renew or by sending a written notice of termination to the GmbH at any time. Voluntary termination is effective upon receipt of such notice by the GmbH.
- b) A Brand Partner who terminates Brand Partner's status may reapply as a brand Partner at an entry-level position six (6) months after Termination.
- c) When a Brand Partner voluntarily terminates the Agreement, Brand Partner's sales network shall automatically roll up to the first upline Brand Partner.

4.02 Suspension.

A Brand Partner may be suspended by the GmbH in its reasonable discretion for repeatedly violating the terms or violating at least once an essential term of the Agreement, which includes this Policy Manual, the Compensation Plan and other contracts concluded by the Brand Partner with the GmbH or the Company. When a decision is made to suspend Brand Partner, the GmbH will inform Brand Partner in writing that the suspension has occurred effective as of the date of the written notification, the reason for the suspension and the steps necessary to remove such suspension, if any. The suspension notice will be sent to Brand Partner's address on file with the GmbH pursuant to the notice provisions contained in the Policy Manual. Such suspension may or may not lead to termination of Brand Partner's position as so determined by the GmbH in its reasonable discretion. If Brand Partner wishes to appeal, the GmbH shall receive such appeal in writing within fifteen (15) days from the date of the suspension notice. The GmbH will review and consider the suspension and notify Brand Partner in writing of its decision within thirty (30) days from the date of the suspension notice. The GmbH may in its reasonable discretion take certain action during the suspension period, including, but not limited to, the following:

- a) Prohibiting Brand Partner from holding Brand Partner meeting or outing as a Brand Partner of the Company or using any of the Company's proprietary marks and/or materials;
- b) Withholding commissions and bonuses due Brand Partner during the suspension period but which will be paid out after the suspension;

- c) Prohibiting Brand Partner from purchasing services and products from the Company; and/or
- d) Prohibiting Brand Partner from sponsoring new Brand Partners, contacting current Brand Partners or attending meetings of Brand Partners.
- e) If the GmbH, in its reasonable discretion, determines that the violation that caused the suspension is continuing, has not been satisfactorily resolved, or a new violation involving the suspended Brand Partner has occurred, the suspended Brand Partner may be terminated.

4.03 Termination.

a) Brand Partner may be terminated by the GmbH in its reasonable discretion for good grounds, including, but not limited to, repeatedly violating the terms or violating at least once an essential term of the Agreement, which includes this Policy Manual and the Compensation Plan. The GmbH may terminate a violating Brand Partner without placing Brand Partner on suspension, but the GmbH shall send a warning before give notice of termination. Brand Partner will be given notice of the opportunity to be heard by a panel to consider the issues relating to the good grounds for termination. When the decision is made to terminate Brand Partner, the GmbH will inform Brand Partner in writing at the address in Brand Partner's file that the termination will have effect as of the service of the written notification upon the Brand Partner.

b) The GmbH may terminate a Brand Partner who objects to an amendment pursuant to Section 11.06 upon one month's written notice in the first year of the Agreement (hereafter "Contract Year"), two months in the second Contract Year, three months in the third through the fifth Contract Year and six (6) months after the fifth Contract Year.

4.04 Appeal

If Brand Partner wishes to appeal the termination, the GmbH must receive the appeal in writing within fifteen (15) days from the date of notice of termination. If Brand Partner files a timely notice of appeal, the GmbH will review the appeal and notify Brand Partner of its decision within ten (10) days after receipt of the appeal. In the event the termination is not rescinded; the termination will remain effective as of the date stated in the original termination notice.

4.05 Effect of Termination.

Immediately upon termination, the terminated Brand Partner:

- a) Shall remove and permanently discontinue the use of the trademarks, service marks, trade names and any signs, labels, stationery or advertising referring to or relating to any Company product, plan or program;
- b) Shall cease representing themselves as a Brand Partner of the Company;
- c) Shall lose all rights to Brand Partner's position and position in the Compensation Plan and to all future commissions and bonuses resulting there from; and
- d) Shall take all action reasonably required by the GmbH relating to protection of its confidential information. The Company or the GmbH has the right to offset any amounts owed by Brand Partner to the Company or the GmbH from commissions or other bonuses due to Brand Partner.

4.06 Reapplication.

The acceptance of any reapplication of a terminated Brand Partner shall be in the sole discretion of the GmbH and may be denied.

SECTION FIVE: TRANSFERABILITY

5.01 Acquisition of Business.

Any Brand Partner desiring to acquire an interest in another Brand Partner's business shall first terminate his or her Brand Partner position and wait six (6) months before becoming eligible for such a purchase. All such transactions shall be fully disclosed to the GmbH and are subject to approval by the GmbH in advance.

5.02 Transfers to Brand Partner.

Except as expressly set forth herein, Brand Partner may not sell, assign or otherwise transfer Brand Partner's entity (or rights thereto) to another Brand Partner or to an individual who has an interest in Brand Partner entity. Notwithstanding the foregoing, a Brand Partner may transfer the Brand Partner position to the Sponsor, subject to the conditions of Section 5.03. In such event, the Sponsor's Brand Partner position and the transferring Brand Partner's Brand Partner position shall be merged into one entity.

5.03 Conditions to Transferability

Brand Partner may not sell, assign, merge or transfer Brand Partner's position (or rights thereto) without the prior written approval of the GmbH, and any such transfer, if approved, is subject to the following conditions:

- a) Brand Partner must strictly adhere to the Agreement which includes this Policies and the Compensation Plan and not currently be on suspension pursuant to Section 4.02.
- b) The GmbH possesses the right of first refusal with respect to any sale, assignment, transfer or merger of any Brand Partner

position. A Brand Partner wishing to sell, assign, transfer or merge the Brand Partner position shall first provide the GmbH with the right and option to make such a purchase or receive such transfer in writing on the same terms and conditions as any outstanding offer. The GmbH will advise Brand Partner within ten (10) business days after receipt of such notice of its decision to accept or reject the offer. If the GmbH fails to respond within the ten (10) day period or declines such offer, Brand Partner may make the same offer or accept any outstanding offer which is on the same terms and conditions as the offer to the GmbH to any person or entity who is not a Brand Partner, married to or a dependent of a Brand Partner or who has any interest in a Brand Partner position.

c) The selling Brand Partner shall provide the GmbH an executed "Sale of Nerium International Brand Partner Position" form and with a copy of all documents which detail the transfer, including without limitation, the name of the purchaser, the purchase price and terms of purchase and payment;

d) A transfer cost compensation of EUR 55.00 shall accompany the transfer documents;

e) The documents shall contain a covenant made by the selling Brand Partner for the benefit of the proposed purchaser not to compete with the purchaser or attempt to divert or sponsor any existing Brand Partner of the Company or the GmbH for a period of six (6) months from the date of the sale or transfer; and

f) Upon approval of sale, transfer or assignment being approved, the seller must provide a notarized Bill of Sale for the position being sold as proof of payment of the stated purchase price before the position will be transferred to the potential buyer. Upon approval by the GmbH in writing, the buying party shall assume the position of the selling Brand Partner and shall execute a current agreement and all such other documents as may be reasonably required by the GmbH.

g) The GmbH reserves the right, in its reasonable discretion, to stipulate additional terms and conditions prior to approval of any proposed sale or transfer, The GmbH reserves the right to disapprove any sale or transfer.

h) The selling Brand Partner must have had a completed sale of products in the last ninety (90) days.

i) The selling Brand Partner must have enrolled or renewed its Brand Partner position within the last twelve (12) months or have an active Auto-Delivery template and an active Auto-Delivery Order that was paid with the selling Brand Partner's credit card and shipped to the shipping address on its customer record within the last thirty (30) days.

j) A Brand Partner position being sold must have personally sponsored at least one (1) Brand Partner in the last twelve (12) months.

k) The new owner will assume the original enrollment date of the position being sold.

l) If the position enrollment date is thirty (30) days or greater, the new owner will not be eligible to earn an iPad.

m) If the position being purchased has achieved a rank of Senior Director or higher, the purchaser must maintain a "Paid As" rank equal to the Highest Achieved rank for that position for ninety (90) days before they may be eligible to receive the benefits of the Lexus program.

5.04 Circumvention of Policies.

If it is determined, in the GmbH's reasonable discretion, that a Brand Partner position was transferred in an effort to circumvent compliance with the Agreement, this Policy Manual or the Compensation Plan, the transfer will be challenged by the GmbH according to § 119 BGB and declared null and void, and the Brand Partner position will revert back to the transferring Brand Partner who will be treated as if the transfer had never occurred from the reversion day forward. If reasonable, and in the GmbH's sole discretion, appropriate action, including without limitation, notice of termination may be given against the transferring Brand Partner pursuant to Section 4.03 to ensure compliance with the Agreement and this Policy Manual and the Compensation Plan.

5.05 Succession.

Notwithstanding any other provision of Section Five, upon the death of a Brand Partner, the Brand Partner's position will pass to Brand Partner's heirs as provided by law; however, the GmbH will not recognize such a transfer until the heir has executed a current Agreement and submitted certified copies of the death certificate and will, trust or other instrument reasonably required by the GmbH to evidence transfer of ownership. The successor will thereafter be entitled to all the rights and be subject to all the obligations of a Company Brand Partner.

5.06 Reentry.

Any Brand Partner who transfers their Brand Partnership shall wait for six (6) months after the effective date of such transfer before becoming eligible to reapply to become a new Brand Partner.

SECTION SIX: PROPRIETARY INFORMATION

6.01 Confidentiality Agreement.

During the term of the Agreement, the Company and the GmbH may supply (to the extent permitted by applicable law) to Brand Partner confidential, proprietary or trade secret information including, but not limited to, genealogical and downline

reports, customer lists, customer information developed by the Company or developed for and on behalf of the Company by other Brand Partners (including, but not limited to, credit data, customer and Brand Partner profiles and product purchase information), Brand Partner lists, manufacturer and supplier information, business reports, commission or sales reports and such other financial and business information which the Company may designate as confidential, proprietary or trade secret. All such information (whether in written or electronic form) is confidential, proprietary or trade secret to the Company and is transmitted to Brand Partner in strictest confidence on a “need to know” basis for use solely in Brand Partner’s business with the Company. Brand Partner shall use Brand Partner’s best efforts to keep confidential, proprietary or trade secret information protected and shall not disclose any such information to any third party, directly or indirectly. Brand Partner shall not use the information to compete with the Company or for any purpose other than promoting the Company’s program and its products and services. Upon expiration, non-renewal or termination of the Agreement, Brand Partner shall discontinue the use of such confidential, proprietary or trade secret information and promptly return any confidential, proprietary or trade secret information in their possession to the GmbH.

6.02 Copyright Restrictions.

With respect to product purchases from the GmbH, Brand Partner shall abide by all manufacturers’ use restrictions and copyright protections.

6.03 Vendors’ and Other Business Associates’ Confidentiality.

The Company’s business relationships with its vendors, manufacturers, suppliers and researchers are confidential. Brand Partner shall not directly or indirectly contact, speak to or communicate with any supplier, manufacturer or researcher of the Company except at a Company-sponsored event at which the supplier, manufacturer or researcher is present at the request of the Company.

SECTION SEVEN: TRADEMARKS, LITERATURE AND ADVERTISING

7.01 Trademarks.

a) The Company’s name, trademarks, service marks and copyrighted materials are owned by the Company, including the names of the Company’s products. The use of such marks and materials shall be in strict compliance with the Policy Manual. Only the Company is authorized to produce and market products and literature under these trademarks. Use of the Company name on any item not produced or authorized by the Company is prohibited, except in the manner described below:

Mary Jones

Independent Brand Partner

Nerium International™

7.02 Telephone, Yellow and White Page Listings

Brand Partner is not permitted to use the Company’s trade name in advertising in the white or yellow page sections of the telephone book. Brand Partner is not permitted to list their telephone numbers under the Company’s trade name without first obtaining prior written approval from the GmbH. If approval is granted for a listing, it shall be stated in the following manner:

Jones, Mary

Independent Brand Partner

Nerium International™

7.03 Imprinted Checks.

Brand Partner is not permitted to use the Company trade name or any of its trademarks or service marks on their business or personal checking accounts; however, Brand Partner may imprint Brand Partner’s business checks as being a “Nerium International™, LLC Independent Brand Partner.”

7.04 Imprinted Business Cards or Letterheads.

Brand Partner is not permitted to “create” Brand Partner’s own stationary, business cards or letterhead graphics if the Company’s trade name and/or trademarks are used. Only the approved Company graphics version and wording are permitted and letterhead shall be ordered either from the Company directly or from the Company-licensed independent contractor.

7.05 Print and Electronic Advertising.

Only Company-produced or -approved (in writing and in advance) promotional and advertising materials may be used to advertise or promote a Brand Partner’s business or sell products or services of the Company in any print or electronic media, including on an internet website. No person shall use the Company name, logos, trademarks or copyrighted material in any advertising not produced by the Company or without prior express written permission from the Company. The Company’s literature and materials may not be duplicated or reprinted without prior written permission of the Company. The Company’s consent or approval may be withheld at its sole discretion. Banners, trade show materials and the like must

be approved in writing by the Company.

7.06 Internet.

The Company maintains a presence on the internet on its own website. Brand Partner is prohibited from using any trademarks of Company, including the name Nerium International™, LLC, the Nerium International™, LLC logo, and the name of any of the products, or any other trade names, trademarks or distinctive phrases or remarks used by Company, including those related to any product or any term confusingly similar thereto, in any form on the internet. If a Brand Partner desires to provide a link from Brand Partner's personal website directly to the Company's website, the Brand Partner's request must be in writing and is subject to Company approval in its sole discretion. No link may be established until the Brand Partner receives written approval from the Company.

7.07 Protection of Minors.

The Nerium International website is not designed for or targeted at children. We do not knowingly collect, use or disseminate any personally identifiable information from children under the age of 18. If, however, we become aware that personally identifiable information regarding a child under the age of 18 has been collected at the Nerium International site, we will use such information for the sole purpose of contacting a parent or guardian of the child to obtain verifiable parental consent. If we cannot obtain consent after a reasonable period of time, or if when contacted, a parent or guardian requests that we do not use or maintain such information, we will make reasonable efforts to delete it from our records. Upon request by a parent or guardian, Nerium International will provide a description of the specific types of personal information collected from a child who is under the age of 18.

7.08 Gifts, Enticement and Special Discounts.

a) Nerium Independent Brand Partners are prohibited from using print, electronic or verbal advertisements to entice potential prospects, including Preferred Customers, to join their organization or team, which includes, but is not limited to; special rewards, incentives, bonuses, products or guarantee of downline placements, which can be determined upon the Company's or the GmbH's reasonable discretion.

b) Nerium Independent Brand Partners are not allowed to use the Placement Suite as a form of incentive and/or enticement to leverage potential prospects, including Preferred Customers, in any public or private forum for joining their Nerium business.

7.09 Social Media.

a) As a Brand Partner for the Company, you are not required to maintain a presence in social media. Should you choose to do so, however, you must adhere to the guidelines and policies set forth by the Company. These guidelines and policies are designed to ensure the uniformity and professionalism of the Nerium International brand which, in turn, benefits your business.

b) The Company maintains an online presence for the benefit of the Company as a whole, which includes Customers, Brand Partners and the general public. We ask that in our public forums (Facebook, Twitter, etc.) you keep your comments relevant to all. Our blog (neriumblog.net) is a resource for you to ask questions related to the business side of Nerium International, and our corporate staff is available to help.

c) You may not use the official corporate Nerium International pages to drive business, solicit business, drive people to your own site or recruit Brand Partners. Our trademarked brand name cannot be used to drive traffic away from our corporate site.

d) You cannot represent your independent business as the corporate office. All Brand Partner communications, both in print and online, must clearly appear as coming from an independent representative of the Company and not lead the consumer to think they may be interacting with the corporate office.

e) You are welcome to use the term "Independent Brand Partner for Nerium International" in the name/description of various social media sites for your business. You cannot use the word "official" or anything similar. You cannot create an alias for any sites like Twitter or others that use any permutation of the Nerium International name. For further clarification regarding naming, please refer to Section 7.06.

f) When posting information online related to Nerium International, please consider if the information you are sharing is beneficial to your business and to the Company as a whole. Do not represent yourself in any way online that detracts from the Nerium International brand. All Independent Brand Partners agree, acknowledge and affirmatively accept any content posted (photos, testimonials, statements, marketing materials, etc.) on a social networking website including, but not limited to, Facebook, Twitter, MySpace, LinkedIn, Flickr, etc., must adhere to the Print and Electronic Guidelines found in Section 7.05. Health/medical claims, income claims or disparaging comments, remarks, etc. are expressly prohibited and will not be approved or allowed.

g) In the event of your voluntary or involuntary termination as a Nerium International Independent Brand Partner, you are required to remove all references to Nerium International from social networking profile(s) within ten (10) days.

h) Should the Company discover non-compliant profiles and/or websites, you will be required to remove the material immediately.

i) Infractions of any social media guideline may result in disciplinary actions up to and including termination of this

Agreement and your Brand Partner account.

j) The Company requires that all Brand Partners identify themselves as independent business owners and should therefore adhere to the naming convention of their Facebook page and all other social media networks to read as follows: “John Doe, Independent Brand Partner, Nerium International.” On Facebook only are you allowed to use “Nerium” in your vanity URL if its naming convention is the same as your Nerium replicated site i.e. “Facebook.com/john doe.nerium.” This is the only acceptable use of the word “Nerium” in a URL.

k) All Independent Brand Partners are prohibited from advertising “Nerium” on websites such as Groupon, Facebook offers, Twitter ads, or any website or social media networks with a coupon or special discount offer, including and not limited to the purchase of ads with the “Nerium” name used in the naming conventions of URL domains, subdomains or in the advertising on pay per click ads and/or adwords, etc.

7.10 Endorsements.

No endorsements by a Company officer or any third party may be asserted, except as expressly communicated in the Company literature and communications. U.S. Federal and state and German regulatory agencies do not approve or endorse direct selling programs. Therefore, a Brand Partner may not represent or imply, directly or indirectly, that the Company’s program, products or services has been approved or endorsed by any governmental agency.

7.11 Independent Communications.

Subject to the restrictions imposed by Section Seven, Brand Partner is encouraged to distribute information and direction to Brand Partner’s respective downline; however, Brand Partner shall identify and distinguish between personal communications and the official communications of the Company.

7.12 Medical Claims.

No claims (expressed or implied), including medical claims, may be made for any Company product by Brand Partner. Brand Partners may make product claims only to the extent such claims are contained in GmbH-produced marketing materials.

7.13 Brand Partner Services.

The Company provides every active Brand Partner with management and training communications, timely delivery of product and sales materials and a computer report of sales made in their marketing group for the pay period in which commissions and overrides are earned and paid.

7.14 Pricing.

Pricing for products sold on the internet must adhere to the general rules for all such retail sales, as outlined in Section 9.13.

7.15 Recordings.

Brand Partner may not produce or reproduce for sale or personal use products sold by the Company or any Company-produced literature, audio or video material, presentations, events or speeches, including conference calls. Video and/or audio taping of Company meetings and conferences is strictly prohibited. Still photography is allowable at the discretion of the meeting host.

7.16 Telephone Answering.

Brand Partner may not answer the telephone by saying “Nerium International” or in any other manner that would lead the caller to believe that the call has reached the corporate offices of the Company or the GmbH.

7.17 Liability.

Violation of any of the rules contained in this Policy Manual may be a ground for termination of the individual’s Brand Partner status pursuant to Section 4.03. The violator may also be liable for damages resulting from unauthorized use of the Company copyrights, trademarks and materials.

SECTION EIGHT: PAYMENT OF COMMISSIONS

8.01 Basis for Commissions.

Commissions and other bonuses cannot be paid until a completed Agreement has been received and accepted by the GmbH prior to the end of the month in which the sale is made. Commissions are paid ONLY on the sale of Company services and products. No commissions are paid on the purchase of a Brand Partner kit or for sponsoring Brand Partners.

8.02 Calendar.

Commissions, overrides and bonuses are calculated and paid on the current pay period information. A Brand Partner is

promoted to the highest rank in which he/she qualifies at the close of each bonus period. Commissions and bonuses are paid based on the "Paid As" rank.

8.03 Commission and Bonus Payment Date.

Commissions, overrides and bonuses are calculated and paid on the current pay period information. A Brand Partner is promoted to the highest rank in which he/she qualifies at the close of each bonus period. Commissions and bonuses are paid based on the "Paid As" rank.

8.04 Minimum Payment.

The minimum amount for payment of commissions and overrides is EUR 15.00; all monies not paid will be included in the next bonus payment. Processing fees vary based on payment options and may be deducted from all commission and bonus payments.

8.05 Offset of Commissions.

Any commissions or bonuses earned and paid on products returned is the obligation of, and shall be repaid to, the Company or the GmbH by the Brand Partner originally paid such commissions or bonuses. The Company and the GmbH have the right to offset such amounts against future commissions and other bonuses paid or owed to such Brand Partner and Brand Partner's upline who participated in an override.

8.06 Tax Reporting for Commissions.

Any commissions paid to a Brand Partner are subject to German Income tax laws. Payments made in the form of incentive trips, free product (3UR Free, NGB) and/or car bonus payments are all subject to taxation as income and will be reported annually in a document prepared for the Brand Partner. The Brand Partner is responsible to file all income and expense reports appropriate for operating a home-based business.

SECTION NINE: PURCHASE AND SALE OF PRODUCTS

9.01 Purchase Requirement.

No product purchase is required in order for an applicant to become a Brand Partner, although purchases or sales of products may be required in order to advance in the Compensation Plan. Brand Partners who have had their Agreement accepted by the GmbH may buy products at wholesale prices directly from the GmbH.

9.02 Stockpiling Prohibited.

The success of the Company and the GmbH depends on sales to the ultimate consumer and all forms of stockpiling are strictly prohibited including, but not limited to, purchases of products primarily for purposes of qualifying for additional compensation. The GmbH recognizes that Brand Partner will purchase products for Brand Partner's own use, however, the GmbH strictly prohibits the purchase of products in unreasonable amounts in an attempt to qualify for advancement in the Compensation Plan.

9.03 70% Rule.

In order to qualify for commissions and bonuses, Brand Partner shall certify on the product order form that the Brand Partner has sold to non-Brand Partner consumers or used at least 70% of all products previously purchased. Brand Partners placing telephone orders to the GmbH are also required to comply with this rule and may be requested by the GmbH to verify compliance. In its effort to support and enforce the retail sales/70% Rule, the GmbH, on a quarterly basis, will conduct random audit verification follow-ups. Representatives of the GmbH will contact Brand Partners to further verify compliance with the 70% Rule. Brand Partners should maintain records and be prepared to assist the GmbH representative in their task.

9.04 Retail Sales Rule.

Requiring sales to at least five (5) retail customers per month.

9.05 Preferred Customer Rules.

A Preferred Customer must personally opt in to the monthly Auto-Delivery Order program. Invalid Preferred Customer orders are defined as orders submitted as Preferred Customer orders for qualification purposes without the written authorization from the customer. If a Nerium International Brand Partner submits a Preferred Customer order without the Customer's consent, this qualifies as a violation of this Policy pursuant to Section 4.03. Preferred Customer orders cannot be paid by or shipped to a Nerium International Brand Partner for any reason. No exceptions.

9.06 Ordering Methods.

All orders submitted to the GmbH shall have the Brand Partner's or Customer's Company issued identification number placed thereon to assist the GmbH in processing and shipping the order properly. Failure to provide this information may result in a delay in processing the order.

9.07 Direct Purchase.

Brand Partner may purchase Brand Partner's product needs directly from the GmbH. Should a Brand Partner obtain product from Brand Partner's Sponsor or upline Brand Partner's personal inventory and a replacement product order is not placed

and processed through the GmbH, no commissions or overrides will be paid by the GmbH on such transactions.

9.08 Payment Options.

Purchases may be paid by credit cards, unless specifically stated otherwise by the GmbH. In the event a credit card is declined, Brand Partner will be contacted for an alternate form of payment and may be subject to an additional processing fee. No orders will be shipped without prior payment. Bounced payments are subject to a EUR 30,00 returned check cost compensation.

9.09 Shipping and Handling.

It is the ordering Brand Partner's sole responsibility to indicate the method and means of shipping and the destination address.

9.10 Product Delivery.

Upon clearance of payment, the GmbH processes for shipment the products and materials ordered. If an item is temporarily not available (TNA), the consignee will be notified on the packing list included with the shipment. If a TNA should occur, the item(s) will be shipped as soon as available and usually within ten (10) days of the date the original order was received. Back orders may be canceled by Brand Partner by written request received by the GmbH prior to shipment.

9.11 Damaged Goods.

The shipping company is responsible for any damage that occurs after it takes physical custody of the products. Therefore, it is important that the damage is reported promptly in order to allow the GmbH to file a claim with the shipper. The purchaser of Company products who receives damaged goods shall comply with the following procedures:

- a) Accept delivery;
- b) Before the driver leaves, note on the delivery receipt the number of boxes that appear to be damaged and require the driver to acknowledge the damage in writing;
- c) Save the damaged products or boxes for inspection by the shipping agent; and
- d) Contact the GmbH's Support Department to arrange for a replacement order to be shipped and a damaged goods claim to be filed.

9.12 Price Changes.

Prices for the Company's products, services and literature are subject to change. Within the scope of its general distribution policy, the GmbH shall be entitled to change its prices at any time prior to the conclusion of the respective sales contract. The GmbH shall notify the Brand Partner in due time and in writing if its prices are changed.

9.13 Receipts for Retail Pricing.

Brand Partner will provide all retail purchasers of the Company products with written receipts. Although the GmbH provides a suggested retail price as a guideline, Brand Partner may sell the Company products at whatever retail price they and their customers may agree upon.

9.14 Value Added Tax (VAT).

The GmbH must charge applicable VAT on all product sales.

9.15 Shipping Loss.

The GmbH will track all deliveries shipped. Brand Partner should contact the GmbH immediately upon being made aware of any shipping problem.

9.16 Inaccurate Delivery.

If a product is shipped in error by the GmbH, the unordered merchandise may be returned at the GmbH's expense. The Brand Partner shall take the following steps:

- a) Brand Partner or retail customer notifies the GmbH within five (5) days of receipt of the order;
- b) A copy of the shipping or packing slip shall be enclosed with the proper forms required by the GmbH completed and executed by Brand Partner or retail customer; and
- c) Products shall be returned in original containers and shall be packed properly to prevent damage in return shipment.

9.17 Refused Shipments.

Neither Brand Partner nor a retail customer shall refuse any ordered shipment from the GmbH unless prior approval of the GmbH has been obtained. Non-accepted delivery charges will be debited to Brand Partner's account. If the GmbH determines that a valid reason exists for refusing shipment, it will instruct the Brand Partner or retail customer on the proper procedure for a return.

9.18 Retail Outlets.

The integrity of the Company's marketing plan is built upon person-to-person, one-on-one and in-home presentation methods of sale. Selling Company products through any chain of retail stores, including, but not limited to, drugstores, pharmacies, supermarkets, health food stores, shopping mall booths and the like, restaurants or online shopping malls including, but not limited to, eBay, Craigslist, etc. is strictly prohibited. Selling Company products by Brand Partners through retail outlets or professional offices that are not part of chains and are owned or operated by the Brand Partner is acceptable upon written approval by the GmbH.

9.19 Service-Oriented Establishments.

To the extent allowed under the applicable laws the GmbH allows the Brand Partner to take orders for Company products in businesses such as health spas, health resorts or similar establishments.

9.20 Medical Offices.

To the extent allowed under the applicable laws the GmbH allows Medical doctors and other health professionals to sell Company products from their offices only if the doctor or health professional is a Brand Partner.

9.21 Trade Shows.

With written authorization from the GmbH, Company products or services and opportunity may be displayed at trade shows by Brand Partners. Request for participation in trade shows must be received in writing by the GmbH at least two (2) weeks prior to the show. Written authorization from the GmbH must be received before participating in the trade show. Unless written authorization is secured from the GmbH, Company products or services and opportunity are the only products or services and/or opportunity that may be offered in the trade show booth. Only Company produced marketing materials may be displayed or distributed. No Brand Partner may sell or promote the Company's products or services or business opportunity at flea markets, swap meets or garage sales. The GmbH tradeshow authorization does not guarantee exclusive participation in any tradeshow.

9.22 International Sales.

Independent Brand Partners who choose to sponsor internationally may do so in accordance with Section 3.01 and must comply fully with the Rules of Operation in that country. Any violation of this rule constitutes a material breach of this Agreement and is grounds for termination of the Agreement pursuant to Section 4.03.

9.23 Product/Services Claims.

Brand Partner shall make no claim, representation or warranty concerning any product or service of the Company, except for those contained in the official Company materials. Brand Partner can only promote benefits of Nerium products using language contained in the official Company materials. **Brand Partners may not make any medical, therapeutic, curative or treatment claims regarding any Nerium product. Brand Partners may only use "Before" and "After" photos provided by the Company. The use of any unauthorized "Before" and "After" photos is prohibited.**

9.24 Promotional Items.

All promotional items that bear the Company name or logo shall be purchased solely from the GmbH or its approved supplier unless prior written permission is obtained from the GmbH.

9.25 Telemarketing.

Telemarketing is strictly prohibited. § 7 (2) No. 2 UWG forbids cold calls versus consumers.

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

SECTION TEN: RETAIL CUSTOMER RETURNS

10.01 Retail Customer Guarantee.

The GmbH offers a 100% money-back satisfaction guarantee to all retail customers within thirty (30) days of purchase. If a retail customer is dissatisfied with any of the Company products for any reason, then that retail customer may return that product in its original package and shipping containers, with original proof of purchase, to the original selling Brand Partner for either a replacement or a full refund of the purchase price minus shipping. Customer is responsible for cost of return freight unless the product has a defect.

10.02 Warranties.

Except as expressly stated herein and provided by statutory law, the GmbH makes no warranty or representation as to the merchantability, fitness for a particular purpose, workmanship or any other warranty concerning any product or service purchased from or through the GmbH.

10.03 Buyer's Right to Withdraw.

In addition a 30 day returns policy applies. The GmbH will provide the Brand Partner with the standard form for the withdrawal right.

10.04 Retail Customer Refunds.

The GmbH will replace the returned retail product to the Brand Partner provided the following procedures and conditions are met:

a) The product shall be returned to the GmbH by the Brand Partner who purchased it from the GmbH within twenty (20) days of the return date to Brand Partner;

- b) Brand Partner shall obtain a return authorization number from the GmbH customer service department within ten (10) days of the return date to Brand Partner and prior to returning any product; and
 - c) The product shall be received by the GmbH within twenty (20) days of the return date to Brand Partner.
 - d) If, possible the return shall be accompanied by the following:
 - 1. A signed statement from the retail customer identifying the reason for the return;
 - 2. A copy of the original retail sales receipt;
 - 3. The unused portion of the product is returned in its original container; and
 - 4. The name, address and telephone number of the retail customer,
 - e) Proper shipping carton(s) and packing materials shall be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is required.
- The GmbH will pay the cost of shipping replacement product(s). The GmbH will replace the product, but will not refund to any Brand Partner the purchase price of any retail customer returns.

10.05 Quality Control.

The GmbH will replace, within twenty-four (24) months of purchase, any product found to be defective; however, no product shall be returned to the GmbH without prior written approval. In general exchanges only and no Refunds

- a) A written replacement request shall be submitted stating the reason for the request and accompanied by a copy of the Purchase Order Form or packing slip. Product returned without prior authorization will not be accepted.
- b) The GmbH will provide the Brand Partner with a return authorization number and will instruct Brand Partner where to ship the product for inventory verification at the GmbH's cost. Upon receipt and verification of the product, the GmbH will ship out replacement product as appropriate at the GmbH's cost.

10.06 Termination Returns.

- a) A Brand Partner who terminates Brand Partner's business relationship with the GmbH has the right to return for repurchase on commercially reasonable terms currently marketable inventory including Company-produced promotional materials, sales tools and kits in possession of Brand Partner and purchased by Brand Partner for resale prior to the date of termination. For purposes hereof, "reasonable commercial terms" shall mean the repurchase of marketable inventory within 30 days from the Brand Partner's date of purchase at the Brand Partner's original net cost less appropriate set-offs and legal claims to which the GmbH or the Company are entitled, if any. Replacement products supplied by the GmbH under Sections 10.04 and 10.05 can be returned at the price paid by the Brand Partner for the original returned product. In addition, for purposes of this section, products shall not be considered "currently marketable" if returned for repurchase after the products commercially reasonable usable or shelf life period has passed (shelf life will be deemed to have passed if the product package has been opened); nor shall products be considered "currently marketable" if the GmbH clearly discloses to the Brand Partner prior to purchase that the products are seasonal, discontinued or special promotional products and are not subject to the repurchase obligation. No refunds will be issued unless a Brand Partner is in strict compliance with the procedures contained herein:
- b) A written return request shall be submitted, stating the reason for the termination, the reason for the return of product and/or sales materials, and accompanied by original proof of payment and a copy of the Purchase Order Form or Packing Slip. Product returned without prior authorization will be returned to Brand Partner;
- c) The GmbH will provide Brand Partner with a return authorization number, and will instruct Brand Partner where to ship the product for inventory verification. Upon receipt and inspection of the return, the GmbH will process the appropriate refund for payment; and
- d) The Brand Partner shall pay the cost of return freight.
- e) All commissions, overrides and bonuses paid to a terminated Brand Partner as a result of any product returned upon termination shall be repaid to the GmbH. The GmbH may deduct such amounts from any commissions or other amounts owed to such Brand Partner. All commissions, overrides and/or bonuses paid to a Brand Partner's upline on a returned product shall be repaid to the GmbH by the upline Brand Partner.

SECTION ELEVEN: GENERAL PROVISIONS

11.01 Indemnity Agreement.

Brand Partner agrees to indemnify and hold harmless the Company, the GmbH, their shareholders, officers, directors, employees, agents and successors in interest from and against any claim, demand, liability, loss, cost or expense including, but not limited to, court costs and attorneys' fees, asserted against or suffered or incurred by any of them, arising out of or in any way related to or connected with Brand Partner's (a) activities as Brand Partner not in line with the Agreement including the Policy Manual and the Compensation Plan; (b) breach of the terms of the Agreement including the Policy Manual and the Compensation Plan; and/or (c) violation of, or failure to comply with, any applicable statutory law or regulation.

11.02 Limit on Liability.

The Company and the GmbH shall not be liable for, and Brand Partner releases the Company and the GmbH from and waives all claims for, any damages or any other loss incurred or suffered by Brand Partner as a result of (a) the breach by Brand Partner of the Agreement and/or the terms and conditions of the Policy Manual and/or the Compensation Plan; (b) the operation of Brand Partner's business not in line with this Agreement and/or the terms and conditions of the Policy Manual and/or the Compensation Plan; (c) any incorrect or wrong data or information provided by Brand Partner; (d) any copyright violation in connection with materials provided by Brand Partner; or (e) the failure to provide any information or data necessary for the Company and/ or the GmbH to operate its business, including, without limitation, the enrollment and acceptance of Brand Partner into the Compensation Plan or the payment of commissions and bonuses.

11.03 Limitation of Damages.

The liability of the Company, the GmbH and their affiliates, officers, directors, employees and other representatives for any damage of the Brand Partner shall be limited as follows:

a) For damages caused by a breach of a material obligation of the Agreement, this Policy Manual or the Compensation Plan, the liability shall only be up to the amount of the typically foreseeable damage at the time of entering into the Agreement; no liability shall exist for damages caused by a breach of a non-material obligation.

b) The limitation of liability as set out above shall not apply to damages caused intentionally or by gross negligence, culpably caused personal injuries nor to any liability under the German Product Liability Act and in case of any further mandatory liability. Furthermore, it shall not apply if and to the extent the Company or the GmbH has assumed a guaranty.

Customer shall take all reasonable measures necessary to avert and reduce damages.

11.04 Record Keeping.

The GmbH encourages Brand Partner to keep complete and accurate records of all Brand Partner's business dealings.

11.05 Non-Solicitation and Non-Competition.

The Brand Partner acknowledges and agrees that the only way to protect the goodwill, confidential, proprietary and trade secret information of the Company and the GmbH and the integrity and stability of the sales force created by other Brand Partners is to prohibit all Brand Partners from recruiting and soliciting of other Brand Partners to other companies during the term of this Agreement. Consequently, in consideration for all of the rights granted by this Agreement, including the protection this non-solicitation provision affords to Brand Partner, for the term of this Agreement, for any reason, Brand Partner agrees not to, directly or indirectly, recruit or solicit any of the Company's or GmbH's other Brand Partners to join other direct sales, multi-level or network marketing companies.

11.06 Amendments.

The GmbH reserves the right to amend the Agreement, Policy Manual, its retail prices, product availability and the Compensation Plan at any time without prior notice as it deems appropriate whereas any amendments shall reasonably consider the interests of the Company, the GmbH and the Brand Partners. Amendments will be communicated to Brand Partner through official Nerium publications, by posting on the Nerium website or email. Amendments are effective and binding on Brand Partner and the GmbH thirty (30) days after notice. All amendments are prospective and do not apply to incidents, occurrences or proceedings occurring before the effective date of the amendment. In the event of any conflict between the original documents or policies and any such amendment, the amendment will control. Unless the Brand Partner objects to an amendment within four (4) weeks after the receipt of the information about the amendment, the amendment will be effective also for him. If the Brand Partner objects, the amendment will not be applied towards him but the GmbH is entitled to terminate the Agreement pursuant to Section 4.03b.

11.07 Non-Waiver Provision.

No failure of the GmbH to exercise any power under the Policy Manual or to insist upon strict compliance by Brand Partner with any obligation or provision herein, and no custom or practice of the parties at variance with this Policy Manual, shall constitute a waiver of the GmbH's right to demand exact compliance with this Policy Manual. The GmbH's waiver of any particular default by Brand Partner shall not affect or impair the GmbH's rights with respect to any subsequent default, nor shall it affect in any way in the rights or obligations of any other Brand Partner. Nor shall any delay or omissions by the GmbH to exercise any right arising from a default affect or impair the GmbH's rights as to that or any subsequent default. Waiver by the GmbH can be affected only in writing by the managing director of the GmbH.

11.08 Entire Agreement.

This Policy Manual is incorporated into the Agreement, along with the Compensation Plan, and constitutes the entire agreement of the parties regarding their business relationship.

11.09 Governing Law, Jurisdiction and Venue.

The Agreement, including this Policy Manual, shall be governed by the laws of Germany. The courts of Munich shall have exclusive jurisdiction for all disputes arising in connection with this Agreement including this Policy Manual and the Compensation Plan and the sales agreements concluded hereunder.

11.10 Force Majeure.

The Company and the GmbH shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as strikes, labor difficulties, fire, war, government decrees or orders or curtailment of a party's usual source of supply.

11.11 Notice.

Any communication, notice or demand of any kind whatsoever, which either Brand Partner or the GmbH may be required or may desire to give or to serve upon the other, shall be in writing and delivered by electronic communication whether by telex, telegram, email or fax (if confirmed in writing sent by courier with receipt requested, registered or certified mail, postage pre-paid, return receipt requested or by personal service). Any party may change its address for notice by giving written notice to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to have been given or served on the date personally served by personal service, on the date of confirmed dispatch if by electronic communication, or on the date shown on the return receipt or other evidence if delivery is by mail.

11.12 Severability.

If under statutory law any provision of the Agreement, including this Policy Manual and the Compensation Plan, or any specification, standard or operating procedure which the GmbH or the Company has prescribed, is held to be invalid or unenforceable, the remainder of the Agreement including this Policy Manual and the Compensation Plan shall remain valid. The invalid provision shall automatically be replaced by such valid provision that reflects the economic purpose intended by the parties as closely as possible. The modification will be effective only in the jurisdiction of the Federal Republic of Germany.

11.13 Violations.

It is the obligation of every Brand Partner to abide by and maintain the integrity of this Policy Manual. If Brand Partner observes another Brand Partner committing a violation, such Brand Partner should discuss the violation directly with the violating Brand Partner. Any violations reported to the Company shall follow the Company's reporting procedures and may be reported by phone to the Nerium International Support Department at 855-4-NERIUM (855-463-7486).

SECTION TWELVE: CODE OF PROFESSIONAL ETHICS

Nerium international, LLC., believes that its Brand Partners should subscribe to the principles of fairness, honesty, integrity and service. The relationship of the Company and the GmbH to Brand Partner, Brand Partner to customer and Brand Partner to others should be preserved, protected and promoted in accordance with the highest standards of conduct. Therefore, Brand Partner agrees to abide by and subscribe to the code of professional ethics (the "code of ethics") contained in this section twelve.

AS A BRAND PARTNER, I AGREE THAT:

- 12.01** I will be honest and fair in all my dealings while acting as a Brand Partner of the Company and the GmbH.
- 12.02** I will respect the time and privacy of the people I contact to become retail customers or Brand Partners of the Company. I will be courteous and respectful to every person contacted in the course of my Company business.
- 12.03** I will perform all my professional activities in a manner that will enhance my reputation and the reputation of the Company.
- 12.04** I will fulfill my leadership responsibilities as a Sponsor, including training and otherwise supporting Brand Partners in my sales organization.
- 12.05** I will not engage in any deceptive or illegal practice, or any practice prohibited by the Agreement or the Policy Manual or the Compensation Plan.
- 12.06** I will not make diagnostic, therapeutic or curative claims for the Company's products. I will not make any claims not contained in official Company literature. I will represent only that "each body is unique and responds uniquely to different products," remembering that even my personal experience with the product may be interpreted as an "extension of labeling claims" if I use those experiences as a sales device.
- 12.07** I will make no income claims or representations regarding the Company Compensation Plan, remembering that ideal projections of the Company Compensation Plan are unrealistic. No network is grown in a perfect geometric progression and therefore it is impossible to predict incomes. Further, a Brand Partner's success depends on many variables, such as the amount of time committed to his/her business and the degree of organizational ability.
- 12.08** I understand and agree that I am solely responsible for all financial and/or legal obligations incurred by me in the course of my business as a Brand Partner of Nerium International, including self-employment taxes, income taxes, value-added taxes, license fees and related personal fees.
- 12.09** I will always honor the Company's 100% satisfaction, thirty (30) day money back guarantee under Section 10.01 of the Agreement when dealing with my retail customers.

12.10 I will compete aggressively but fairly, and I will respect the professionals of other network marketing companies. I will not solicit from the proprietary rolls or “genealogical” printouts of other network marketing companies. I will not use sales materials or professional associations that may be regarded as proprietary by other companies. The Company seeks to promote the reputation of all reputable network marketing companies that are furthering the cause of personal independence for their Brand Partners.

12.11 A Brand Partner shall engage in no conduct which negatively impacts, disrupts or impairs the reputation or business of the Company or the GmbH or other Brand Partners, including, but not limited to: disparagement of the Company or the GmbH, their Officers or Employees or other Brand Partners; manipulation of the Compensation Plan; undermines or is at odds with the training systems utilized by and authorized by the Company; conduct which is abusive, disrespectful or intimidating of other Brand Partners, Customers, Employees, the GmbH, the Company or Affiliates of the Company; conduct that undermines the relationship between the Company, the GmbH and Brand Partners or relationships between Brand Partners; conduct which is false, fraudulent, dishonest or deceptive in any way; or any other conduct which the Company deems disreputable or, in anyway, negatively impacts the Company, the GmbH or other Brand Partners.