



Policies & Procedures

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SECTION 1 – INTRODUCTION

1.1 POLICIES INCORPORATED INTO DIRECT SELLER AGREEMENT

These Policies and Procedures, in their present form and as amended from time to time at USANA's discretion, are incorporated into the USANA Direct Seller Agreement. It is the responsibility of each Direct Seller to read, understand, adhere to, and ensure that he/she is aware of and operating under the most current version of these Policies and Procedures. For the purposes of these policies, the term Direct Seller refers to all individuals who entered into a Direct Seller Application and Agreement with USANA.

1.2 PURPOSE

The purpose of the Direct Seller Agreement is:

- To define the relationship between USANA and the Independent Direct Seller;
- To set standards of acceptable business behavior;
- To assist Direct Sellers in building and protecting their business.

1.3 CHANGES

USANA may, from time to time, amend the terms and conditions of the Direct Seller Agreement, Policies and Procedures, Compensation Plan, and pricelist. Amendments shall be effective upon notification of the changes in official USANA publications.

1.4 DELAYS

USANA shall not be responsible for delays and failures in performing its obligations due to circumstances beyond its reasonable control, such as strikes, labor difficulties, riots, war, fire, death, curtailment or interruption of a source of supply, government decrees or orders, etc.

1.5 POLICIES AND PROVISIONS SEVERABLE

If any provision of the Direct Seller Agreement as it currently exists, or as may be amended, is found to be invalid, illegal, or unenforceable for any reason, only the invalid provision will be severed from the Direct Seller Agreement; the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid, illegal, or unenforceable provision never comprised a part of the Direct Seller Agreement.

1.6 TITLES NOT SUBSTANTIVE

The titles and headings to these Policies are for reference purposes only and do not constitute, and shall not be construed as, substantive terms of the Direct Seller Agreement.

1.7 WAIVER

USANA never forfeits its right to require Direct Seller compliance with the Direct Seller Agreement or with applicable laws and regulations governing business conduct. Only in rare circumstances will a policy be waived, and such waivers will be conveyed by the Compliance Officer or an

officer of the company. The waiver will apply only to that specific case.

1.8 NO RELIANCE

A Direct Seller should seek advice from their professional advisor for matters of legal, financial, or other professional advice and not rely on any such advice if given from USANA.

1.9 DIRECT SELLER'S COOLING OFF PERIOD

If a Direct Seller elects to cancel his/her distributorship during the 30-day period immediately following his/her enrollment, USANA will refund 100 percent of the price of the Starter Kit and all products purchased as part of the Direct Seller's initial order (excluding shipping). For full details of the Cooling Off Period, please see Section 7.2.3.

SECTION 2 – BECOMING A DIRECT SELLER

2.1 REQUIREMENTS TO BECOME A USANA DIRECT SELLER:

- Be at least the age of 17 and have an ID Card (KTP);
- Be domiciled in Indonesia;
- Read the USANA Policies and Procedures and Compensation Plan;
- Submit an original, signed Direct Seller Application and Agreement along with the copy of KTP to USANA;
- Provide USANA with a current and correct correspondence address and phone number where you can be reached;
- Purchase a USANA Starter Kit for a nominal cost (unless prohibited by law); and
- Have a valid Indonesian Taxpayer Identification Number (Nomor Pokok Wajib Pajak or "NPWP") (individuals) or NPWP and/or Taxable Entrepreneur Confirmation Number (Nomor Pokok Pengusaha Kena Pajak or "NPPKP") (to the extent applicable) (businesses and corporations)."
- If USANA determines that the Direct Seller Application and Agreement contains inaccurate or false contact or other information, it may immediately terminate a distributorship or declare the Direct Seller Application and Agreement null and void from its beginning. Further, it is the obligation of the Direct Seller to report to the Company on an ongoing basis any changes which affect the accuracy of the Direct Seller Application and Agreement.
- USANA reserves the right to accept or reject any application for any reason.

2.2 STARTER KIT

No person is required to purchase USANA products to become a Direct Seller. However, to familiarize new Direct Sellers with USANA products, services, sales techniques, sales aids, and other matters, USANA requires new Direct Sellers to purchase a Starter Kit except where prohibited by law. USANA will repurchase any resalable kits from Direct Sellers who terminate their Direct Seller Agreement.

2.3 IDENTIFICATION AND DIRECT SELLER NUMBER

When USANA receives and accepts a Direct Seller's original Application and Agreement, USANA will assign a unique Direct Seller Number to that Direct Seller. Direct Sellers must use their Direct Seller Number whenever they call a USANA Direct Seller Services Representative or Order Express Representative to place orders and track commissions and bonuses. All Indonesian tax residents are required to register themselves as taxpayers, calculate their tax obligations, settle their tax obligations, file tax returns, and withhold tax for certain payments. Direct Sellers are required to provide a valid taxpayer code number to USANA for the withholding tax purposes.

2.4 TEMPORARY ENROLLMENT

After signing the Direct Seller Application and Agreement, a Direct Seller applicant may enroll by telephone or over the Internet to receive a temporary Direct Seller Number and temporary authorization for a new distributorship while the written application is en route to USANA. The applicant must provide USANA with all the necessary information to complete the Direct Seller Application and Agreement. The applicant may order a Starter Kit at that time. The new Direct Seller's temporary Direct Seller Number and authorization will be valid for 21 days, pending USANA's receipt of the Direct Seller's original Application and Agreement along with Direct Seller's copy of KTP. USANA reserves the right to hold payment of commissions earned if the Application and Agreement and copy of KTP has not been received within the 21-day temporary enrollment time period. Once USANA receives the original Direct Seller Application and Agreement and copy of KTP, USANA will assign a permanent Direct Seller Number to the Direct Seller and extend the initial distributorship authorization period to one full year. If after 21-day since the temporary enrollment and a Direct Seller has not yet submitted the original and signed Direct Seller Application and Agreement and copy of KTP, USANA reserves the right to hold a distributorship from its system and stop the payment of commission earned.

If after 90-day since the temporary enrollment and a Direct Seller has not yet submitted the original and signed Direct Seller Application and Agreement and copy of KTP, USANA reserves the right to remove a distributorship from its system and stop the payment of commission earned.

For information on returns, please see Section 7

2.5 DIRECT SELLER BENEFITS

Once USANA accepts a Direct Seller's Application and Agreement, the benefits of the USANA Compensation Plan and the Direct Seller Agreement are available to the new Direct Seller. These benefits include the right to:

- Purchase USANA products and services at the Direct Seller price;

- Participate in the USANA Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Preferred Consultant or Direct Seller into the USANA business and thereby build a team and progress through the USANA Compensation Plan;
- Receive USANA literature and other USANA communications;
- Retail USANA products and services, and profit from those sales;
- Participate in promotional and incentive contests and programs sponsored by USANA for its Direct Sellers; and
- Participate in USANA-sponsored support, service, training, motivational, and recognition functions upon payment of appropriate charges, if applicable.

A Direct Seller's continuation of a distributorship or acceptance of earnings pursuant to the USANA Compensation Plan or acceptance of any other benefits under the Application and Direct Seller Agreement constitutes acceptance of the Direct Seller Application and Agreement, these Policies and Procedures, and any and all amendments thereto.

2.6 RENEWAL FEE

USANA charge Direct Seller an annual distributorship renewal fee of IDR. 90.000,- . USANA will automatically charge the fee to the Direct Seller's credit card on file with USANA on the anniversary date of the Direct Seller's application. Direct Sellers without a credit card must renew by phone or email. The annual renewal fee will:

- Automatically renew your subscription to USANA publication;
- Renew your Direct Seller Agreement (signifying your acceptance of and promise to adhere to the most current version of Policies and Procedures as amended from time to time at USANA's discretion) and maintain your line of sponsorship; and
- Continue your entitlement to participate in USANA's Compensation Plan; purchase USANA products; enjoy USANA service support program; participate in company promotion, contest, and recognition; and retail USANA products and services; and attend Company events.

2.7 RESIGNATION

Direct Sellers may resign at any time by sending a letter to USANA requesting resignation.

SECTION 3 – OPERATING A USANA DISTRIBUTORSHIP

3.1 ACTIONS OF HOUSEHOLD MEMBERS OR AFFILIATED INDIVIDUALS

If any member of a Direct Seller's immediate household (a Direct Seller's spouse or dependents) engages in any activity, which, if performed by the Direct Seller, would violate any provision of the Direct Seller Agreement, such activity will be deemed a violation by the Direct Seller.

3.2 ADHERENCE TO THE USANA COMPENSATION PLAN

Direct Sellers must adhere to the terms of the USANA Compensation Plan as set forth in official USANA literature. Direct Sellers shall not offer the USANA opportunity through, or in combination with, any other opportunity or unapproved method of marketing. Direct Sellers shall not require or encourage other current or prospective Preferred Consultant or Direct Seller to participate in USANA in any manner that varies from the program as set forth in official USANA literature. Direct Sellers shall not require or encourage other current or prospective Preferred Consultant or Direct Seller to execute any agreement or contract other than official USANA agreements and contracts in order to become a USANA Direct Seller. Similarly, Direct Sellers shall not require or encourage other current or prospective Preferred Consultant or Direct Seller to make any purchase from, or payment to, any individual or other entity to participate in the USANA Compensation Plan, other than those purchases or payments identified as recommended or required in official USANA literature.

3.3 ADVERTISING

3.3.1 In General

Direct Sellers must avoid all discourteous, deceptive, misleading, illegal, unethical, or immoral conduct or practices in their marketing and promotion of USANA, the USANA opportunity, the USANA Compensation Plan, and USANA's products. Only those Direct Sellers who have achieved the rank of Gold Director or higher may produce individual sales, marketing, and support materials to market or promote USANA, the USANA opportunity, the USANA Compensation Plan, USANA's products, or their USANA businesses. All other Direct Sellers may only use sales aids and support materials produced or currently approved by USANA. Sales, marketing, and support materials include, but are not limited to, training and recruiting information, brochures, flyers, pamphlets, posters, postcards, letters, classified advertisements, etc., promoting USANA's products and programs, as well as e-mail messages, voice mail message recordings, social media sites, and Internet websites used to publicize

USANA, its products, services, or its Compensation Plan.

Any Direct Seller who has achieved the rank of Gold Director or above who desires to create his/her own sales tools, promotional materials, advertisements, or other literature (promotional material) must submit a copy of the proposed materials to USANA for review and approval before he/she may use the information to promote his/her business or the USANA opportunity. Upon receipt of the proposed promotional material, USANA will review the information to determine the appropriateness of the material's form and content. USANA's review of the proposed promotional material will be subject to a review fee. USANA will promptly notify the Gold or higher ranking Director regarding the Company's decision to approve or disapprove the material for use in promoting and supporting his/her USANA business activities. Gold and higher ranking Directors may only use those materials that USANA has expressly

approved. Such materials may not be offered for sale at a profit to the Direct Seller. It is the Direct Seller's responsibility to ensure that previously approved promotional material remains current and up to date. USANA further reserves the right to rescind approval for any promotional materials, and Direct Sellers waive all claims for damages or remuneration arising from or relating to such rescission.

3.3.2 Television and Radio

Direct Sellers may not advertise on television and radio under policy 3.3.1 except with USANA's express written approval.

3.3.3 Media Inquiries

Direct Sellers must refer all media inquiries regarding USANA to the USANA Compliance Department. This will ensure that accurate and consistent information reaches the general public.

3.3.4 Trademarks and Copyrights

- Direct Sellers may not directly or indirectly use the USANA trademark or trade name or corporate logo to promote their independent business. Rather, they must use the "Independent USANA Direct Seller" logo to promote their business, including in business listings. A reproducible copy of the logo can be obtained from USANA.
- Direct Sellers should not answer the telephone in any manner that might indicate or suggest that the caller has reached a USANA corporate office.
- Direct Sellers may not directly or indirectly record or reproduce materials from any USANA corporate function, event, speech, etc.
- Direct Sellers may not directly or indirectly record, reproduce, or copy any presentation or speech by any USANA spokesperson, representative, speaker, officer, director, or other Direct Sellers.
- Direct Sellers may not directly or indirectly reproduce or copy any recording of a USANA-produced media presentation, including audio tapes, videotapes, CDs, etc.
- Direct Sellers may not directly or indirectly publish, or cause to be published, in any written or electronic media, the name, photograph or likeness, copyrighted materials, or property of individuals associated with USANA, without express written authorization from the individual and/or USANA.
- Direct Sellers may not directly or indirectly publish, or cause to be published, in any written form or electronic media, the copyrighted materials or property of USANA, without express written authorization from USANA.
- Direct Sellers may not directly or indirectly use or attempt to register or sell any of USANA's trade names, trademarks, service names, service marks, product names, or any derivative thereof, for any Internet domain name or e-mail address.

3.3.5 Use of Direct Seller Name, Likeness, and Image

Direct Seller consents to USANA's use of his/her name, testimonial (or other statements about USANA, its products, or opportunity in printed or recorded form, including

translations, paraphrases, and electronic reproductions of the same), and image or likeness (as produced or recorded in photographic, digital, electronic, video, or film media) in connection with advertising, promoting, and publicizing the USANA opportunity, products, or any USANA-related or sponsored events.

3.3.6 Advertised Price

Direct Sellers may not create their own marketing or advertising material offering any USANA products at a price less than the current Auto Order price plus shipping and applicable taxes.

3.3.7 Social Media

Associates may use social networking sites (Facebook, Twitter, Instagram, etc.), to:

- Communicate involvement with USANA and other information about the company,
- Direct users to approved USANA web content, including an Associate's personal USANA webpage (PWP),
- Post approved USANA education tools and other approved content,
- Participate in the following business-building activities: promote upcoming meetings or events, advertise products by linking to your USANA shopping cart or any other USANA approved material, and encourage viewers to contact them for more information about the products or business.

It is essential when promoting USANA on social media that USANA Associates abide by all policies relating to business and product claims. Please refer to sections 3.4.1, and 3.4.2, and 5.1 for a reminder of these policies.

Associates must avoid posting anything profane, vulgar, libelous, threatening, etc. as determined by USANA, and they should adhere to the terms and conditions of the social sites on which they post. Associates are also prohibited from using USANA or trademarked names in the name of their Facebook page, Twitter handle, etc. USANA reserves the right to require an Associate to remove any post that it deems inappropriate.

For full details of USANA's advertising policy, including the policies that apply to websites, blogs, etc., please see section 3.3.1.

3.4 DIRECT SELLER CLAIMS AND REPRESENTATIONS

3.4.1 Product Claims

USANA Direct Sellers may not make claims that USANA products have therapeutic or curative properties except those contained in official USANA literature. In particular, Direct Sellers may not make any claim that USANA products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only are such claims in violation of the Direct Seller Agreement, they also violate the laws and regulations of Indonesia and other jurisdictions.

3.4.2 Income Claims

Direct Sellers may not make income projections or claims or disclose their USANA income (including the showing of checks, copies of checks, or bank statements) when presenting or discussing the USANA opportunity or Compensation Plan, except as set forth in official USANA literature.

3.4.3 Indemnification

A Direct Seller is fully responsible for all of his or her verbal and/or written statements made regarding the products, services, and the USANA Compensation Plan that are not expressly contained in official Company materials, and the Direct Seller agrees to indemnify USANA against any claims, damages, or other expenses, including attorneys' fees, arising from any representations or actions made by the Direct Seller that are outside the scope of the Agreement. The provisions of this section survive the termination of the Agreement.

3.5 UNAUTHORIZED RECRUITING

USANA Direct Sellers may participate in other direct selling or network marketing or multi-level marketing ventures (collectively, "multi-level marketing"), and Direct Sellers may engage in selling activities related to non-USANA products and services, if they desire to do so. However, Direct Sellers are prohibited from unauthorized recruiting activities, which include the following:

- Recruiting or enrolling USANA customers or Direct Sellers for other multi-level marketing business ventures, either directly or through a third party. This includes, but is not limited to, presenting or assisting in the presentation of other multi-level marketing business ventures to any USANA Direct Seller, or implicitly or explicitly encouraging any USANA Direct Seller to join other business ventures. It is a violation of this policy to recruit or enroll a USANA Direct Seller for another multi-level marketing business, even if the Direct Seller does not know that the prospect is also a USANA Direct Seller;
- Producing any literature, tapes, or promotional material of any nature for another multi-level marketing business, or appearing in, being referenced in, or allowing the Direct Seller's name or likeness to be featured or referenced in any promotional, recruiting, or solicitation materials for another multi-level marketing company;
- Selling, offering to sell, or promoting any competing products or services to USANA Preferred Consultant or Direct Seller. Any product or services in the same generic category as a USANA product or service is deemed to be competing, (i.e., any dietary supplement is in the same generic category as USANA's dietary supplements and is, therefore, a competing product, regardless of differences in cost, quality, ingredients, or nutrient content);
- Offering USANA products or promoting the USANA Compensation Plan in conjunction with any non-USANA business plan, opportunity, product, or incentive;
- Offering any non-USANA products or opportunities in conjunction with the offering of USANA products or business plan or at any USANA meeting, seminar, launch, convention, or other USANA function;

- Where a prospective Direct Seller accompanies a Direct Seller to a USANA meeting or function, no other USANA Direct Seller may recruit the prospect to enroll in USANA or any other multi-level marketing business for a period of fourteen (14) days or unless and until the Direct Seller who brought the prospect to the function advises the other USANA Direct Seller that the prospect has elected not to enroll in USANA and that the Direct Seller is no longer recruiting the prospect to enroll in USANA, whichever occurs first. USANA will immediately cancel the distributorship of any Direct Seller who violates this provision. Violations of this policy are especially detrimental to the growth and sales of other Direct Sellers' USANA businesses and to USANA's business. Where a Direct Seller directly or indirectly participates in the receipt of compensation from, or having an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in any other multi-level marketing venture, they may not participate in USANA's Leadership or Elite Bonus programs. A Direct Seller who accepts Leadership Bonus or Elite Bonus while participating in another multi-level marketing venture is in material breach of this Agreement regardless of the Direct Seller's intent or purpose of such participation. A Direct Seller who participates in any way in another multilevel marketing venture is not eligible to have access to confidential customer information, including but not limited to the customer lists included in Team Manager.

3.5.1 Post Cancellation Solicitation Prohibited

A former Direct Seller shall not directly or through a third party solicit any USANA Direct Seller to enroll in any direct sales, network marketing, or multi-level marketing program or opportunity for a period of one (1) year after the cancellation of an individual or entity's Direct Seller Agreement. This provision shall survive the expiration of the Direct Seller's obligations to USANA, pursuant to the Direct Seller Agreement.

3.5.2 Genealogy Reports

The USANA Genealogy Reports are confidential and contain proprietary business trade secrets. Direct Sellers may not use the reports for any purpose other than for developing their USANA business. Where a Direct Seller participates in other multi-level marketing ventures, he/she is not eligible to have access to Genealogy Reports. The Direct Seller and USANA agree that, but for this agreement of confidentiality and non-disclosure, USANA would not provide Genealogy Reports to the Direct Seller. During any term of the Direct Seller Agreement and for a period of five (5) years after the termination or expiration of the Direct Seller Agreement between Direct Seller and USANA, for any reason whatsoever, a Direct Seller shall not, on his/her own behalf or on behalf of any other person, partnership, association, corporation, or other entity:

- Disclose any information contained in the reports to any third party;
- Use the reports to compete with USANA; or
- Recruit or solicit any Direct Seller listed on the reports to

participate in other multi-level marketing ventures. This provision shall survive the termination or expiration of the Direct Seller Agreement.

3.6 CORPORATIONS, PARTNERSHIPS, AND TRUSTS

A corporation, partnership, or trust (collectively referred to in this section as an "Entity") may apply to be a USANA Direct Seller by submitting a properly completed Direct Seller Application and Agreement together with a Corporation, Partnership DBA Registration. At any time, USANA may request that the Direct Seller provide its Certificate of Incorporation, Partnership Agreement, or trust documents (these documents are collectively referred to as the "Entity Documents") to USANA. A distributorship may change its status under the same sponsor from an individual to a partnership, corporation, or trust, or from one type of entity to another. To do so, the Direct Seller(s) must submit a properly completed Direct Seller Application and Agreement and Corporation, Partnership DBA Registration Form to USANA. The Corporation, Partnership DBA Registration Form must be signed by all of the shareholders, partners, trustees, or other individuals having an ownership interest in the business. Members of the Entity are jointly and severally liable for any indebtedness or other obligation to USANA. As set forth in Section 3.12, no individual may participate directly or indirectly in more than one distributorship. It is the responsibility of those persons involved in the Entity to conform to the laws of the state in which their Entity is formed. USANA reserves the right to approve or disapprove any Direct Seller Application and Agreement submitted by an Entity, as well as any Direct Seller Application and Agreement submitted by any current Direct Seller(s) for the formation of an Entity for tax, estate planning, and limited liability purposes.

3.7 PERSONAL DATA AND RIGHT OF PRIVACY

3.7.1 Personal Information

From time to time it will be necessary for you to provide USANA with personal information for purposes related to your distributorship or your application to become a USANA Direct Seller. These purposes may include:

- Processing your Direct Seller Application;
- Processing, fulfilling, and notifying you of your product order status;
- Developing Genealogy Reports or other related business reports;
- Providing Direct Seller services such as planning and facilitating Direct Seller meetings and training;
- Administering Direct Seller benefits;
- Developing and implementing policies, marketing plans, and strategies; Direct marketing of products and services relating to your USANA business;
- Publishing personal information in USANA newsletters, promotional materials, and company and intra-group communications;

- Providing references;
- Complying with applicable laws and assisting with any governmental or police investigation; and Other purposes directly relating to any of the above.

3.7.2 Communicating Personal Information to Third Parties

Where permitted by the provisions of applicable law, USANA may provide your personal information to the following third parties:

- Employees, directors, and managers of USANA and its local and foreign associated/affiliated companies;
- Any agent, contractor, supplier, vendor, or other third party who provides administrative, advertising, direct marketing, printing, or other services to USANA or its affiliated companies, including, but not limited to, distribution centers, external auditors, medical practitioners, trustees, insurance companies, actuaries, and any consultant/agent appointed by USANA or its affiliated companies to plan, provide, and/or administer Direct Seller benefits, product offerings, direct marketing or advertising services related to your independent USANA business;
- Sponsors and upline business leaders who may need access to downline Direct Seller personal information in order to monitor sales activity and business development in their personal sales groups. However, USANA does not share credit card information or NPWP with any third party without your permission or unless required by law or valid court order;
- Persons or organizations seeking references.

3.7.3 Direct Seller Access to Personal Information

You have the right to request and obtain from USANA the personal information USANA has on file about you and correct any data that is inaccurate (unless an exception applies). You may also request USANA to inform you of the type of personal information maintained by USANA. Requests for access to and correction of personal data or information about USANA's policies and practices regarding personal data should be addressed in writing to USANA Customer Service.

3.8 INDEPENDENT CONTRACTOR STATUS

Direct Sellers are independent contractors and are not purchasers of a franchise or business opportunity. The agreement between USANA and its Direct Sellers does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Direct Seller. All Direct Sellers are responsible for paying their own income and employment taxes. Direct Sellers will not be treated as employees for purposes of the Indonesian Income Tax and Indonesian Manpower Regulations required of employers. Each Direct Seller is encouraged to establish his/her own goals, hours, and methods of sale, so long as he/she complies with applicable laws and the terms and conditions of the Direct Seller Agreement.

3.9 INSURANCE

3.9.1 Product Liability Coverage

USANA maintains insurance to protect the Company and Direct Sellers against product liability claims. USANA's insurance policy contains a "Vendors Endorsement," which extends coverage to Independent Direct Sellers so long as they are marketing USANA products in accordance with applicable laws and regulations and the Direct Seller Agreement. USANA's product liability policy does not extend coverage to claims that arise as a result of a Direct Seller's misconduct in marketing the products (see also Section 3.4.1).

3.9.2 Assumption of Risk

A Direct Seller understands that while traveling to or from Company-related meetings, events, activities, workshops, retreats, or gatherings, he/she does so as a part of his/her own independent business and not in any manner as an employee, agent, or functionary of the Company, notwithstanding the fact that his/her attendance may be based in whole or in part by invitation from, or agreement with, the Company to attend. He/she assumes all risk and responsibility for such travel.

3.10 INTERNATIONAL

Direct Sellers may sell and promote USANA's products, opportunity, and services or recruit or enroll any potential Direct Seller or customer only in countries in which USANA is approved for business, as announced in official USANA communications. If a Direct Seller desires to conduct business in an authorized country other than the one in which he/she is a Direct Seller, he/she must comply with all the applicable laws and regulations for that country, including, but not limited to, selling only those products that are specifically designed, formulated, and approved for that particular market. For example, U.S. labeled product may only be sold in the U.S.; México labeled product may only be sold in México.

3.11 ADHERENCE TO LAWS AND ORDINANCES

You must obey all laws that apply to your business.

3.12 ONE DISTRIBUTORSHIP

A Direct Seller may operate, receive compensation from, or have an ownership interest, legal or equitable, as a sole proprietorship, shareholder, trustee, or beneficiary in only one USANA distributorship. However, notwithstanding this rule, your spouse may become a Direct Seller and operate a second distributorship as long your spouse's distributorship is placed below one of your Teams and not in a crossline sales organization. The second business must be a bona fide independent business that is operated by the person listed on the agreement and not by the owner of the first business.

3.13 REPACKAGING AND RELABELING PROHIBITED

Direct Sellers may not relabel or alter the labels on any USANA products, information, materials, or programs in any way.

Direct Sellers may not repackage or refill any USANA products. USANA products must be sold in their original containers only. Such relabeling or repackaging would violate governing laws, which could result in severe criminal penalties. Civil liability may also result when the persons using the products suffer any type of injury or their property is damaged as a consequence of the repackaging or relabeling of products.

3.14 SALE, TRANSFER, OR ASSIGNMENT OF DISTRIBUTORSHIP

A Direct Seller may not sell, transfer, or assign their distributorship rights to any person or entity without USANA's approval. To obtain approval, you must:

- Be a Direct Seller in good standing as determined by USANA in its sole discretion.
- Before any transfer will be approved by USANA, any debt obligations the selling Direct Seller has with USANA must be satisfied.
- The transferring Direct Seller must be in good standing and not in violation of any of the terms of the Direct Seller Agreement or these Policies and Procedures, to transfer his/her distributorship.
- The combining of distributorships is not permitted.
- USANA will not approve the transfer of a distributorship to any individual or Entity that is a current Direct Seller or who has an ownership interest in any distributorship. Similarly, USANA will not approve the transfer of a distributorship to any individual or Entity that has previously had any ownership interest in, or operated, a USANA distributorship.
- No individual Teams may be transferred separately from the distributorship. If a Direct Seller wishes to transfer his/her distributorship, all Teams must be included in the transfer.
- The transferring Direct Seller must notify the USANA Compliance Department of his/her intent to transfer the distributorship by completing and submitting a signed Transfer of Distributorship and Direct Seller Application Form. No changes in line of sponsorship can result from the transfer of a distributorship.

3.15 SEPARATION OF A DISTRIBUTORSHIP

If Direct Sellers wish to dissolve their jointly held distributorship, they must do so in such a way as to not disturb the income or interests of their upline and downline organizations. Direct Sellers should consider the following when deciding whether or not to dissolve a jointly held distributorship:

- If a jointly owned distributorship is dissolved, any one of the joint owners may operate the distributorship, but the other joint owners must relinquish their rights to, and interests in, the distributorship.
- USANA cannot divide a team, nor can it split commission or bonus checks between the joint owners.
- If a jointly owned distributorship is dissolved, the individual(s) who relinquished ownership in the original distributorship may apply as new Direct Sellers immediately under any Sponsor but only if the distributorship has been jointly

owned for more than six months before dissolution. In all other cases, the individual(s) who relinquished ownership may apply as a new Direct Seller only after waiting six months. This policy does not include the dissolution of a husband and wife's distributorship. Only upon legal divorce may a husband or wife leave his/her distributorship and immediately enroll under any Sponsor of his/her choice.

3.16 SUCCESSION

If a Direct Seller dies or becomes incapacitated, his/her rights to commissions, bonuses, and the team, together with all Direct Seller responsibilities, will pass to his/her successor(s). Upon death or incapacitation, the successor(s) must present the USANA Compliance Department with proof of death or incapacitation, along with proof of succession, such as a Grant of Probate or an Enduring Power of Attorney, and a properly completed Direct Seller Application and Agreement. You may inherit and retain another distributorship even though you currently own or operate a distributorship. In the case of intestacy, USANA will deem the distributorship nontransferable if it is not contacted by an authorized representative of the estate or the heirs, devisees, successor trustees, personal representative, or executor of the decedent within six (6) months of the Direct Seller's death.

3.17 TAXES

3.17.1 Income Taxes (Indonesia)

Direct Sellers are responsible for their own personal income taxes, and any remuneration paid to them by USANA will be subject to applicable deductions relating to the relevant withholding tax.

3.17.2 Taxes (Sales Tax in Indonesia)

USANA will collect and remit any relevant value added tax at the suggested retail price.

3.18 TELEPHONE AND E-MAIL SOLICITATION

The use of any automated telephone solicitation equipment in connection with the marketing or promotion of USANA, its products, or the USANA opportunity is strictly prohibited. The use of "boiler-room" telemarketing operations to sell products or services over the telephone, or to recruit Direct Sellers, is strictly prohibited.

USANA does not send "spam" (unsolicited commercial electronic communications in the form of e-mail, text, SMS/ instant message) to our Direct Sellers or customers, and we prohibit our Direct Sellers from using spam to market and sell our products or recruit other Direct Sellers. As such, we require our Direct Sellers to comply with the following rules when using electronic communications to market and promote the USANA opportunity and our products:

- You may send commercial electronic communications ONLY to (a) recipients with whom you have an existing business, family, or personal relationship; or (b) business referrals, but only if you have a business, family or personal relationship with the person making the referral and the person making the referral has a business, family or personal relationship with the person being referred to you.

- Any commercial electronic communication you send must include: (i) a clear and accurate subject header, (ii) accurate sender contact details (name, mailing address, phone number and e-mail address), (iii) in the case of a referral, the name of the person who provided you with the referral, and (iv) a functional “opt-out” or unsubscribe feature.

3.19 TERRITORIES

USANA Indonesian products may only be sold within Indonesia. There are no exclusive territories within Indonesia for marketing USANA products or services, nor shall any Direct Seller imply or state that he/she has an exclusive territory to market USANA products or services.

3.20 TRADE SHOWS AND EXPOSITIONS

Direct Sellers may display and/or sell USANA products at trade shows and expositions, but they may not display or sell USANA products at swap meets, garage sales, flea markets, or farmers’ markets as these events are not conducive to the image USANA wishes to portray. All literature displayed at the event must be approved USANA literature and must clearly identify the individual(s) as Independent Direct Sellers. Direct sellers may not display or sell USANA products in any retail establishment including but not limited to pharmacies, salons, and convenience stores.

3.21 TRANSFER OF SPONSORSHIP

3.21.1 Conflicting Enrollments

Every prospective Direct Seller has the ultimate right to choose his/her own Sponsor. As a general rule, the first Direct Seller who does meaningful work with a prospective Direct Seller is considered to have first claim to sponsorship. Basic tenets of common sense and consideration should govern any dispute that may arise. In the event that a prospective Direct Seller, or any Direct Seller on behalf of a prospective Direct Seller, submits more than one Direct Seller Application and Agreement to USANA listing a different Sponsor on each, the Company will only consider valid the first Direct Seller Application and Agreement that it receives, accepts, and processes. If there is any question concerning the sponsorship of a Direct Seller, the final decision will be made by USANA.

3.21.2 Placement Changes

USANA will not permit any change in the line of sponsorship except in the following circumstances:

- Where a Direct Seller has been fraudulently or unethically induced into joining USANA;
- Where an incorrect placement was made due to a Direct Seller error, a change in the line of sponsorship can be made to correct the error where a request for a change is made within 10 days of enrollment. If you make such a request, you must also submit the written consent of your Sponsor along with the required placement change fee. If at the time of the request you have any team members in place, no change will be permitted in the line of sponsorship. In the event that such a change is approved, commissions and bonuses earned will be adjusted accordingly. In no case will a change of placement be approved where a signed application has not been received by USANA;

- If you terminate your distributorship in writing, you may rejoin under the Sponsor of your choice after a period of six (6) months. In the event you terminate your distributorship, you forfeit all rights, bonuses, and commissions under your previous line of sponsoring. You may not avoid compliance with this policy through the use of DBAs, assumed names, corporations, partnerships, trusts, spouse names, NPWPs, Employer Identification Numbers, fictitious ID numbers, etc. You also may not avoid compliance with this policy by allowing a former Direct Seller to participate in any way in your distributorship; or
- If you have been “inactive” (i.e., no purchases or sales of USANA products or participation in any other form as a Direct Seller) for a period of 12 successive months, you may terminate your distributorship in writing and rejoin immediately under the Sponsor of your choice.

3.21.3 Crossline Raiding

Crossline raiding is strictly prohibited. “Crossline raiding” is defined as the enrollment or attempted enrollment of an individual or Entity that already has a current Direct Seller Agreement on file with USANA, or who has had such an agreement within the preceding six (6) calendar months within a different line of sponsorship. The use of trade names, DBAs, corporations, partnerships, trusts, spouse names, NPWPs, Employer Identification Numbers, or fictitious ID numbers to circumvent this policy is prohibited. Direct Sellers may not demean, discredit, or invalidate other USANA Direct Sellers in an attempt to entice another Direct Seller to become part of the first Direct Seller’s team.

3.22 DECEPTIVE PRACTICES AND DETRIMENTAL CONDUCT

Direct Sellers must fairly and truthfully explain the USANA products, opportunity, Compensation Plan, and Policies and Procedures to prospective Direct Sellers. This includes:

- Being honest and thorough in presenting material from the USANA Compensation Plan to all potential Direct Sellers;
- Making clear that income from the USANA Compensation Plan is based on product sales and not merely on sponsoring other Direct Sellers;
- Making estimates of profit that are based on reasonable predictions for what an average Direct Seller would achieve in normal circumstances;
- Representing that past earnings in a given set of circumstances do not necessarily reflect future earnings;
- Not misrepresenting the amount of expenditure that an average Direct Seller might incur in carrying on the business;
- Not misrepresenting the amount of time an average Direct Seller would have to devote to the business to achieve the profit estimated, and not stating that profits or earnings are guaranteed for any individual Direct Seller;
- Never stating or inferring that you will build a team for anyone else;
- Never stating that profits or earnings are guaranteed for an individual Direct Seller;

- Never stating that any consumer, business, or government agency has approved or endorsed the USANA products or its Compensation Plan; and
- Never placing a sales order in a Team other than where the sale was generated. Manipulation of the Compensation Plan is not permitted and may result in disciplinary action.

Manipulation of the Compensation Plan includes, but is not limited to, a Direct Seller purchasing, to qualify for various ranks or commissions, large quantities of product that are not sold through the direct marketing channel; placing orders in other distributorships in his/her team; and any other actions that may violate state, federal, or foreign anti-pyramid scheme laws. Such manipulations may, in the discretion of USANA, result in the suspension of commissions and termination of the distributorship.

If any conduct by a Direct Seller is determined by USANA to be injurious, disruptive, or harmful to USANA or to other Direct Sellers, USANA may take appropriate action against the Direct Seller as set forth in Section 8.3.

SECTION 4 – RESPONSIBILITIES OF DIRECT SELLERS AND SPONSORS

4.1 ONGOING SUPERVISION, TRAINING, AND SALES

Any Direct Seller who sponsors another Direct Seller into USANA must train the new Direct Seller in product knowledge, effective sales techniques, the USANA Compensation Plan, and the Policies and Procedures. Direct Sellers must also supervise and monitor Direct Sellers in their team to ensure they conduct business professionally and ethically, promote sales properly, and provide quality customer service. As a Direct Seller progresses through the various levels of leadership, his/her responsibilities to train and motivate team members will increase. When sponsoring or enrolling a new Direct Seller, it is the responsibility of the sponsoring Direct Seller to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the USANA Compensation Plan prior to his/her execution of the Direct Seller Agreement.

4.2 NON-DISPARAGEMENT

In setting the proper example for their team, Direct Sellers must not disparage other USANA Direct Sellers, USANA's products, the USANA Compensation Plan, or the Company's employees. Such disparagement constitutes a material breach of these Policies and Procedures.

4.3 HOLDING APPLICATIONS OR ORDERS

All Direct Sellers must forward to USANA any forms and applications they receive from other Direct Sellers or applicant Direct Seller or Preferred Consultant or applicant Preferred Consultant by the next business day after which the forms or applications are signed.

4.4 REPORTING POLICY VIOLATIONS

Direct Sellers should report any observed violations of a policy violation to the USANA Compliance Department.

SECTION 5 – SALES REQUIREMENTS

5.1 PRODUCT SALES

The USANA Compensation Plan is based upon the sale of USANA products and services to end consumer. The sales volume of a Direct Seller's personally enrolled Preferred Consultant shall be included for the purposes of determining compliance with the end consumers requirement. Direct Sellers must fulfill specified personal and organizational sales requirements (as well as meet other responsibilities set forth in these Policies and Procedures) in order to be eligible for bonuses, commissions, and advancement to higher levels of achievement.

5.2 RETAIL CUSTOMER SALES

Direct Sellers must sell products to retail customers at prices determined by USANA. Direct Seller's sales tax must be charged to Direct Sellers based on the retail price. All Direct Sellers must provide their retail customers with two (2) copies of the official USANA Retail Sales Receipt cancellation notice. These receipts outline the Customer Refund Warranty for USANA products, as well as any consumer protection rights.

5.3 EXCESSIVE PURCHASES OF INVENTORY PROHIBITED

USANA strictly prohibits the purchase of products in unreasonable amounts solely for the purpose of qualifying for commissions, bonuses, or advancement in the USANA Compensation Plan. Direct Sellers may not purchase more than they can reasonably resell or consume in any four-week rolling period, nor encourage others to do so. Direct Sellers are not required to carry inventory of products or sales aids other than the initial Starter Kit. Direct Sellers who do so may find building a team somewhat easier because of the decreased response time in filling customer orders or in meeting a new Direct Seller's needs. Each Direct Seller must make his/her own decision with regard to these matters.

5.4 DEPOSITS

No monies should be paid to or accepted by Direct Sellers for a sale except at the time of product delivery.

SECTION 6 – BONUSES AND COMMISSIONS

6.1 BONUS AND COMMISSION CYCLES

USANA pays commissions weekly. A Direct Seller must review his/her commissions and report any errors or discrepancies to USANA within 30 days from the date of the commission check. Errors or discrepancies that are not brought to USANA's attention within the 30-day period will be deemed waived by the Direct Seller.

6.2 ADJUSTMENT OF BONUSES AND COMMISSIONS

Direct Sellers earn commissions and bonuses based on product sales to end consumers. Accordingly, USANA will adjust commissions and bonuses earned from any sale when the Direct Seller or any other end consumer returns the sold product

for a refund. USANA will deduct the sales volume attributable to the returned product from the upline Direct Seller's group volume within the first two weeks after the refund is given.

6.3 LOSS OF RIGHTS TO COMMISSIONS

You must be an active Direct Seller in compliance with the terms of the Direct Seller Agreement to qualify for commissions and bonuses.

6.4 UNCLAIMED COMMISSIONS AND CREDITS

Commission and bonus checks that are not deposited or cashed within one year of the date they are paid to a Direct Seller will be considered unclaimed property. USANA will provide the Direct Seller, who is the owner of unclaimed property, with a written notice of the unclaimed status of the property and instructions on how to claim the property. Direct Sellers who wish to claim their unclaimed funds must complete, sign, and return the notice within the time frame specified in the letter by mail or fax to USANA. Upon receipt, USANA will process the funds request within 8–12 weeks.

Direct Sellers who have not received an unclaimed property notice from USANA; however, have a check that needs to be reissued, will be assessed a service charge.

SECTION 7 – PRODUCT GUARANTEES, RETURNS, AND INVENTORY REPURCHASE

7.1 PRODUCT EXCHANGE

USANA warrants the quality of its products and shall exchange any defective product. Anyone returning a damaged or defective product must complete the Direct Seller Product Exchange or Return form. Product exchanges made for the purpose of favorable gain through maximizing commissions or manipulating the USANA Compensation Plan (as evidenced through patterns observed outside of the average Direct Seller pattern of exchanges) will not be honored and are considered a material breach of the Direct Seller Agreement.

7.2 THIRTY (30) DAY RETURN POLICY

7.2.1 Product Warranty

USANA obligates its Direct Sellers to honor the Company's 100 percent, unconditional, 30-day, money-back guarantee to all retail customers. If for any reason a retail customer is dissatisfied with any USANA product, he/she may return the product to the Direct Seller from whom the product was purchased within thirty (30) days from the date of purchase for a replacement, exchange, or full refund of the purchase price. If the retail customer requests a refund, the Direct Seller who sold the product to the retail customer must immediately refund the retail customer's purchase price. (Retail customers must return merchandise to the Direct Seller who sold it to them; USANA will not accept returned merchandise directly from retail customers.) The Direct Seller, in turn, should complete a Dissatisfied Consumer Product Return and forward the form along with the original sales receipt and returned

merchandise to USANA. USANA will then replace the returned merchandise with like product and ship it to the Direct Seller. All retail customers must be provided with two copies of an official USANA Retail Sales Receipt at the time of the sale. The back of the receipt provides the customer with written notice of his/her rights to cancel the sales agreement.

7.2.2 PREFERRED CONSULTANT

Preferred Consultants are entitled to a 100 percent, 30-day, money back guarantee on their initial product order. If for any reason a Preferred Consultant is dissatisfied with any USANA product, he/she may return that product to the Company within thirty (30) days for replacement, exchange, or full refund of the purchase price. For all other returns, the Company shall repurchase the inventory pursuant to the terms of section 7.3. Moreover, the Company will adjust the appropriate Associates' sales volume pursuant to section 6.2."

7.2.3 COOLING OFF PERIOD

If a Direct Seller elects to cancel his/her distributorship during the 30-day period immediately following his/her enrollment, USANA will refund 100 percent of the price of the Starter Kit and all products purchased as part of the Direct Seller's initial order (excluding shipping). The canceling Direct Seller must return the products and the entire Starter Kit to USANA, shipping prepaid, along with a letter explaining that he/she wishes to terminate his/her distributorship and receive a refund. After the first order, refunds for returned products, Starter Kits, and sales aids are made pursuant to section 7.3. Moreover, the Company will adjust the appropriate Direct Seller's sales volume pursuant to section 6.2. Moreover, USANA may deduct from the amount of the refund any commissions or bonuses the Direct Seller may have received as a result of the products that he/she is returning.

7.3 ALL OTHER RETURNS

After the initial order, a Direct Seller may return USANA products, including promotional materials and sales aids, purchased within the past 365 days for a refund of 100 percent of the purchase price (Direct Seller must pay shipping) if the merchandise is unopened and has not yet expired, unless otherwise required by law. Moreover, USANA may deduct from the amount of the refund any commissions or bonuses the Direct Seller may have received as a result of the products that he/she is returning.

7.4 PROCEDURES FOR ALL RETURNS AND REPURCHASES

To receive a refund, exchange, or replacement on product purchased, a Direct Seller must:

- Obtain a Return Merchandise Authorization Number (RMA#) from the Direct Seller Services Department. This number must accompany all returned products;
- Return the product with the original confirmation of order to USANA;

- Use proper shipping carton(s) and packaging materials to return the product to USANA. The Direct Seller is responsible for tracking return shipment should that be necessary.

If a Direct Seller returns product from a retail customer, he/she must:

- Send the product to USANA within 10 days of the customer's return. The package must be accompanied by a completed Dissatisfied Consumer Product Return, a copy of the original sales receipt, and the unused portion in the original container.
- Only the Direct Seller who ordered the product from USANA may return it.
- USANA is not liable for items lost in transit.

SECTION 8 – DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

8.1 DISPUTES BETWEEN DIRECT SELLERS

8.1.1 Grievances and Complaints

When a Direct Seller has a grievance or complaint with another Direct Seller regarding any practice or conduct in relationship to his/her respective USANA business, the complaining Direct Seller should first discuss the problem with the other Direct Seller. If this does not resolve the problem, the complaining Direct Seller should report the problem to his/her Gold Director to resolve the issue at a local level. If the matter cannot be resolved, it must be reported to the USANA Compliance Department. The Compliance Department will review the complaint and make a final decision. The complaint should identify specific instances of alleged improper conduct and, to the extent possible, identify the relevant dates on which the event(s) complained of took place, the location(s) where they occurred, and all persons who have firsthand knowledge of the improper conduct.

8.1.2 Compliance Department Review

Upon receipt of a written complaint, the USANA Compliance Department will investigate the matter, review the applicable policies, and render a decision on how the dispute shall be resolved. At its sole election, USANA may place the distributorship on hold during the investigation. Should USANA place a distributorship on hold during an investigation and, after the investigation is closed, the results of the investigation show that the Direct Seller was not in violation of the Direct Seller Agreement, USANA will promptly pay the Direct Seller commissions generated during the time the distributorship was on hold together with interest at USANA's then current interest rate. The Compliance Department may also issue disciplinary sanctions consistent with the provisions of section 8.3.

8.2 JURISDICTION, VENUE, AND CHOICE OF LAW FOR DISPUTES BETWEEN USANA AND DIRECT SELLERS

The exclusive jurisdiction and venue for any action pertaining to this agreement or any disagreement or claim between the parties hereto shall be in Jakarta, Indonesia. Choice of law in any such disputes will be Indonesian law.

8.3 DISCIPLINARY ACTIONS

Violation of any of the terms and conditions of the Direct Seller Agreement, or any illegal, fraudulent, deceptive, or unethical business conduct by a Direct Seller may result, at USANA's discretion, in one or more of the following sanctions:

- A verbal or written warning, clarifying the meaning and application of a specific policy or procedure, and advising that a continued breach will result in further sanctions;
- Probation, which may include requiring a Direct Seller to take remedial action and will include follow-up monitoring by USANA to ensure compliance with the Agreement;
- Withdrawal or denial of an award or recognition, or restricting participation in USANA-sponsored events for a specified period of time or until the Direct Seller satisfies certain specified conditions;
- Suspension of certain privileges of distributorship, including, but not limited to, placing a product order, participating in USANA programs, progressing in the USANA Compensation Plan, or participating as a Sponsor, for a specified period of time or until the Direct Seller satisfies certain specified conditions;
- Withholding commissions or bonuses for a specified period of time or until the Direct Seller satisfies certain specified conditions;
- Imposing fair and reasonable fines or other penalties in proportion to actual damages incurred by USANA and as permitted by law; and/or terminating a distributorship.

SECTION 9 – ORDERING

9.1 ORDERING METHODS

Direct Sellers may place orders by telephone, fax, mail, e-mail, through the Internet, through the Auto Order program, or at Will Call. Call Customer Service for your Personal Identification Number (PIN) to order through the Internet. When ordering by phone—be prepared to present all information requested on the Direct Seller Product Order Form. Payments must be made by bank transfer or credit card. When ordering by fax—print information legibly on the order form. Payments may be made by bank transfer or credit card. When ordering by mail—send completed order form with the payment to:

PT USANA Health Sciences Indonesia
Menara Jamsostek South Tower 14th Floor
Jalan Gatot Subroto Kav 38, Jakarta 12710

Keep a copy of the order form for your records. Payment may be made by credit card, bank transfer. When ordering online—log on to the shopping cart at USANA.com. Payments can be made by credit card or through an bank transfer.

9.2 AUTO ORDER PROGRAM

Direct Seller and Preferred Consultant in good standing may participate in the USANA Auto Order program. A Direct Seller may enroll in this program by identifying the products they wish USANA to automatically send to them each four-week rolling period. The credit card from which they authorize

payment will be automatically charged the amount of the order plus applicable shipping and sales tax. Direct Sellers must ensure that they have adequate funds in their account the week prior to the processing of their Auto Order.

9.3 GENERAL ORDER POLICIES

On mail orders with invalid or incorrect payment, USANA will attempt to contact the Direct Seller by telephone and/or email to try to obtain payment. If these attempts are unsuccessful after five working days, the order will be returned unprocessed. No cash on delivery orders will be accepted. USANA maintains no minimum order requirements.

9.4 PURCHASING USANA PRODUCTS

Each Direct Seller must purchase his/her products directly from USANA in order to receive the sales volume credits associated with that purchase.

9.5 BACK-ORDER POLICY

As a general rule, USANA will not back order out-of-stock items. However, USANA may back order Auto Order items, if necessary.

9.6 SHIPPING DISCREPANCIES

Failure to notify USANA of any shipping discrepancy or damage within 30 days of shipment will cancel a Direct Seller's right to request a correction. Follow the procedure for correcting a shipping discrepancy outlined on the Direct Seller Product Exchange or Return Form.

SECTION 10 – PAYMENT AND SHIPPING

10.1 METHODS OF PAYMENT

All written forms and authorizations must be accompanied by the Direct Seller's or Preferred Consultant's Signature.

10.1.1 Bank Transfer

Make payable to USANA for the full amount of your order, including applicable sales tax and shipping and handling charges.

10.1.2 Credit Cards

In the event that the charge is declined, the order will not be accepted. Using someone else's credit card without their express, written permission is prohibited and may be grounds for involuntarily cancellation of a distributorship.

10.2 INSUFFICIENT FUNDS, AND DECLINED CREDIT

Any outstanding balance owed to USANA will be deducted from subsequent commission or bonus checks. Failure to resolve any outstanding balance owed to USANA may result in the involuntary cancellation of distributorship.

10.3 AUTO ORDER PROGRAM

Once initiated, the program will remain in effect until a written cancellation is received at the USANA Corporate Office. Changes or cancellations to an existing Auto Order may be made online (changes only), by phone, or in writing no later than the Friday prior to the order processing date.

Participation in the Auto Order program is purely optional and does not relieve a Direct Seller from compliance with the retail sales requirement or from compliance with the 70 percent resale rule.

10.4 DELIVERY AND RISK OF LOSS

USANA may deliver your products by common carrier. If USANA ships your products by common carrier, you agree to pay for freight, handling, and other pertinent shipping charges to cover the cost of shipping your products from USANA's warehouse to your shipping address. Where permitted by law, delivery of your products is complete when USANA delivers the products to the common carrier and title to the products and risk of their loss or damage in shipment pass to you at that time. Otherwise, delivery is complete upon receipt of the goods at your shipping address.

SECTION 11 – DIRECT SELLER SERVICES

11.1 CHANGES TO THE DISTRIBUTORSHIP

11.1.1 In General

Each Direct Seller must immediately notify USANA of all changes to the information contained on the Direct Seller Application and Agreement. Direct Sellers may modify their existing Direct Seller Agreement by submitting a written request, a properly executed Direct Seller Application and Agreement, and appropriate supporting documentation.

11.1.2 Addition of Co-Applicants

When adding a co-applicant to an existing distributorship, USANA requires both a written request and a properly completed Direct Seller Application and Agreement containing the applicant's and co-applicant's Tax Identification Numbers (NPWP) and signatures. The modifications permitted within the scope of this paragraph do not include a change of sponsorship. Only individuals who have previously never operated or had ownership interest in a USANA distributorship are eligible to be added to an existing distributorship as co-applicant.

11.2 GENEALOGY REPORTS AND COMMISSION STATEMENTS

11.2.1 Genealogy Reports

Genealogy Reports are optional and may be ordered by subscribing to Business Accelerator Suite. Genealogy Reports contain trade secret information which is proprietary to USANA Health Sciences, Inc. Refer to section 3.5.2 for restrictions on using these reports.

11.2.2 COMMISSION STATEMENTS

Commission statements are available online on The Hub.

11.3 ERRORS OR QUESTIONS

In the event a Direct Seller has questions about or believes that any errors have been made regarding commissions, bonuses, Genealogy Reports, orders, charges, or placement information, the Direct Seller must notify USANA within 30 days of the date of the purported error or incident in question. USANA will not be responsible for any error, omission, or problem not reported within 30 days.

11.4 RESOLVING PROBLEMS

If you have any questions regarding shipments, orders, commissions and bonuses, or the USANA Compensation Plan, please write or call the Direct Seller Services Department.

SECTION 12 – INACTIVITY AND CANCELLATION POLICIES

12.1 INACTIVITY

Direct Sellers who do not meet the Personal Sales Volume requirements specified in the USANA Compensation Plan for any four-week rolling period will not receive a commission for the sales generated through their team for that four-week rolling period.

12.2 INVOLUNTARY CANCELLATION

A Direct Seller's violation of any of the terms of the Direct Seller Agreement, including any amendments that may be made by USANA in its sole discretion from time to time, constitutes a material breach of the Direct Seller Agreement and may result, at USANA's option, in any of the disciplinary actions listed in section 8.3, including cancellation of his/her distributorship. Involuntary cancellation of a distributorship will result in the Direct Seller's loss of all rights to his/her team and any bonuses and commissions generated thereby. A Direct Seller whose Agreement is involuntarily canceled shall receive commissions and bonuses only for the last full calendar week prior to termination. When a distributorship is involuntarily canceled, the Direct Seller will be notified by certified mail at the address on file with the Company. Cancellation is effective on the date on which written notice is mailed via certified mail, return receipt requested, to the Direct Seller's last known address or when the Direct Seller receives actual notice of cancellation, whichever occurs first. In the event of such involuntary cancellation, the Direct Seller must immediately cease to represent himself/herself as a USANA Direct Seller. The Direct Seller may appeal the termination to the USANA Compliance Department. The Direct Seller's appeal must be in writing and must be received by the company within 15 calendar days of the date of USANA's cancellation letter. If USANA does not receive the appeal within the 15-day period, the cancellation will be final. The Direct Seller must submit all supporting documentation with his/her appeal correspondence. The written appeal will be reviewed by the Compliance Department. If the Direct Seller files a timely appeal of termination, the Compliance Department will review and reconsider the termination, consider any other appropriate action, and notify the Direct Seller in writing of its decision. This decision of the Compliance Department will be final. A Direct Seller whose Direct Seller Agreement is involuntarily canceled may reapply to become a Direct Seller 12 calendar months from the date of cancellation. Any such Direct Seller wishing to reapply must submit a letter to the USANA Compliance Department setting forth the reasons why he/she believes USANA should allow him or her to operate a distributorship. It is within USANA's sole discretion whether to permit such an individual to again operate a USANA business.

12.3 WRITTEN CANCELLATION

A Direct Seller or Preferred Consultant may cancel his/her Agreement with USANA at any time and for any reason by providing written notice to USANA indicating his/her intent to discontinue his/her distributorship or Preferred Consultant status. The written notice must include the Direct Seller's or Preferred Consultant's signature, printed name, address, and appropriate identification number.

12.4 EFFECT OF CANCELLATION

Following a Direct Seller's voluntary or involuntary cancellation, such former Direct Seller shall have no right, title, claim, or interest to the team which he/she operated or any bonus and/or commission from the sales generated by the team. Following a Direct Seller's voluntary or involuntary cancellation, the former Direct Seller shall not hold himself or herself out as a USANA Direct Seller, shall not have the right to sell USANA products or services, must remove any USANA sign from public view, and must discontinue using any other materials bearing any USANA logo, trademark, or service mark. A Direct Seller who is voluntarily canceled will receive commissions and bonuses only for the last full calendar week prior to his/her cancellation. A Direct Seller whose Agreement is involuntarily canceled will receive commissions and bonuses only for the last full calendar week prior to cancellation, unless monies were withheld by the Company during an investigation period. If an investigation of the Direct Seller's conduct results in his/her involuntary cancellation, he/she shall not be entitled to recover withheld commissions and bonuses.

12.5 TERMINATION OF AGREEMENT

With respect to the termination of the Direct Seller Agreement, including these Policies and Procedures, as well as any and all other related documents, the parties hereby waive the provisions of Articles 1266 of the Indonesian Civil Code with respect to the Direct Seller Agreement to the extent that such waiver is necessary to enable the termination of the Direct Seller Agreement.

SECTION 13 – DEFINITION OF TERMS

Active Direct Seller—A Direct Seller who satisfies the minimum Personal Sales Volume requirements as set forth in the USANA Compensation Plan.

Direct Seller—An individual who has executed a Direct Seller Application and Agreement that has been accepted by USANA. Direct Sellers are required to meet certain qualifications and are responsible for the training, motivation, support, and development of the Direct Sellers in their respective teams. Direct Sellers are entitled to purchase USANA products and retail USANA products and services, enroll new Preferred Consultant or Direct Sellers, and take part in all Company Direct Seller programs.

Cancellation—Termination of an individual's Direct Seller Agreement. Cancellation may be either voluntary or involuntary.

Involuntary Cancellation—The termination of a Direct Seller Agreement that is initiated by USANA.

Voluntary Cancellation—The termination of a Direct Seller Agreement instituted by the Direct Seller who elects to discontinue his/her affiliation with USANA for any reason.

Commissionable Products—All USANA products on which commissions and bonuses are paid. Starter Kits and sales aids are not commissionable products.

Company—The term “Company” as it is used throughout these Policies and Procedures, and in all USANA literature, means PT USANA Health Sciences Indonesia.

Direct Seller Agreement—The term “Direct Seller Agreement”, as used in the Policies and Procedures, refers to the Direct Seller Application and Agreement, USANA's Policies and Procedures, and the Compensation Plan.

Starter Kit—A selection of USANA training materials and business support literature that each new Direct Seller purchases. The Starter Kit is sold to Direct Sellers at USANA's cost.

Preferred Consultants - Preferred Consultants may order directly from an official USANA website, and resell USANA products to retail customers. Preferred Consultants are direct sellers who do not participate in USANA's compensation plan.

End Consumer—A person who purchases USANA products for the purpose of personally consuming them.

Four-Week Rolling Period—The four pay periods (four Fridays) after a Direct Seller places a product order of Rp 1.176.000 or more. If a Direct Seller places an order on a Friday, the Friday on which the order is placed counts as the first of the four pay periods in the Direct Seller's volume period.

Example: If a Direct Seller places his/her order on Friday, October 9, 2015, the four-week rolling pay period expires three Fridays later (Friday, October 30, 2015). To remain active, a Direct Seller must place his/her next product order no later than Friday, November 6, 2015.

Example: If a Direct Seller places his/her order on Friday, November 6, 2015, the four-week rolling pay period expires three Fridays later (Friday, November 27, 2015). To remain active, a Direct Seller must place his/her next product order no later than Friday, December 4, 2015.

(See Four-Week Rolling Period Calendar for further clarification.)

The maintenance of a Direct Seller's active status during a volume period is critical to the Direct Seller's eligibility to earn bonuses and commissions.

Genealogy Report—A report generated by USANA that provides critical data relating to the identities of Direct Sellers and sales information of each Direct Seller's team. This report contains proprietary trade secret information. (See section 3.5.2).

Group Sales Volume—The commissionable volume of

USANA products generated by a Direct Seller's team. Group Sales Volume does not include the Personal Sales Volume of the subject Direct Seller. (Starter Kits and sales aids have no sales volume.)

Immediate Household—A Direct Seller, his or her spouse, and dependent children.

Team—A Direct Seller's team consists of all Direct Sellers below him/her.

Official USANA Material—Literature, audio CDs and DVDs, and other materials developed, printed, published, or distributed by USANA.

Personal Sales Volume (PSV)—The commissionable value of products purchased by a Direct Seller.

Auto Order—To track when your Auto Order will be processed, call Direct Seller Services for the number of your Auto Order week. If your week is #3, for example, find the #3 on the Four-week Rolling Calendar of the current month. Your Auto Order will be processed on Monday of that week and every #3 week forward unless there is a cancellation. Credit cards are billed and bank drafts are deposited the first part of the week your Auto Order is scheduled.

Because USANA is a global company, we use Commission Volume Points instead of rupiah. 1 Commission Volume Point is equal to 13,800 rupiah. This is subject to change based on periodic review by USANA. Changes will be announced on USANA's The Hub.



USANA

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