



USANA

SINGAPORE
POLICIES & PROCEDURES

Effective Date: August 3, 2020

POLICIES & PROCEDURES

Section 1 | Introduction 4

1.1 Policies Incorporated into Distributor Agreement.....	4
1.2 Purpose.....	4
1.3 Changes.....	4
1.4 Delays.....	4
1.5 Severability.....	4
1.6 Compliance.....	4
1.7 No Reliance.....	4

Section 2 | Becoming a Distributor 4

2.1 To Become a USANA Distributor.....	4
2.2 Distributor Benefits.....	4
2.3 Identification And Distributor Number ...	5
2.4 Temporary Enrolment.....	5
2.5 Annual Distributorship Renewal.....	5
2.6 Starter Kit.....	5

Section 3 | Operating A USANA Distributorship 5

3.1 USANA Compensation Plan.....	5
3.1.1 Actions of Household Members or Affiliated Individuals.....	6
3.2 Advertising.....	6
3.2.1 Television and Radio.....	6
3.2.2 Media Enquiries.....	6
3.2.3 Trademarks and Copyrights.....	6
3.2.4 Use of Distributor Name, Likeness, and Image.....	7
3.3 Distributor Claims and Representations.....	
3.3.1 Product Claims.....	7
3.3.2 Income Claims.....	7
3.3.3 Denigration of Competitors.....	7
3.3.4 Advertised Price.....	7
3.3.5 Indemnification.....	7

3.3.6 Social Media.....	7
3.4 Commercial Outlets.....	8
3.5 Other Companies and Products.....	8
3.6 Post-Termination Solicitation.....	3.7
Genealogy Reports.....	8
3.8 Personal Data and Right to Privacy.....	9
3.8.1 Personal Data.....	9
3.8.2 Communicating Personal Data to Third Parties.....	
3.8.3 Distributor Access to Personal Data.....	9
3.8.4 Retail Customer Personal Data.....	9
3.9 The Telephone and E-Mail Solicitation.....	9
3.10 Limited Companies, Partnerships, and Trusts.....	10
3.11 Deceptive Practices and Detrimental Conduct.....	10
3.12 Independent Contractor Status.....	10
3.13 Independent Contractor Status.....	10
3.14 Product Liability Insurance.....	10
3.15 Assumption of Risk.....	11
3.16 International.....	11
3.17 Adherence to Laws and Ordinances.....	11
3.18 One Distributorship.....	11
3.19 Repackaging and Relabelling Prohibited.....	11
3.20 Sale, Transfer, or Assignment of Distributorship.....	11
3.21 Separation of a Distributorship.....	11
3.22 Succession.....	12
3.23 Taxes.....	12
3.24 Territories.....	12
3.25 Trade Shows and Expositions.....	12

3.26 Line of Sponsoring.....	12
3.27 Transferring of Sponsorship	12
3.28 Cross-Line Raiding.....	13

Section 4 | Responsibilities of Distributors and Sponsors...13

4.1 Supervision, Training, and Sales.....	13
4.2 Leadership.....	13
4.3 Holding Applications and Orders.....	13
4.4 Reporting Policy Violations.....	13

Section 5 | Sales Requirements.....13

5.1 Product Sales.....	13
5.2 Suggested Retail Price.....	13
5.3 Excessive Purchases of Inventory Prohibited	13
5.4 Deposits and Payments by Customers	14

Section 6 | Bonuses and Commissions 14

6.1 Adjustment of Bonuses and Commissions.....	14
6.2 Rights to Earn Commissions	14
6.3 Unclaimed Commissions and Credits	14
6.4 Rights to Earn Commissions	14

Section 7 | Product Guarantees and Buyback Policies..... 14

7.1 Retail Customers.....	14
7.2 Preferred Customers.....	14
7.3 Distributors	14
7.3.1 Initial Order	14
7.3.2 All Other Returns.....	15
7.3.3 Procedure for Distributor Returns...	15

Section 8 | Dispute Resolution and Violation of Agreement.....15

8.1 Disputes Between Distributors	15
8.1.1 Compliance Department Review	15
8.2 Disputes Between USANA and Distributors.....	15
8.3 Violation of Agreement.....	15

Section 9 | Ordering..... 16

9.1 Auto Order Programme.....	16
9.2 Ordering USANA Products	16
9.3 Back Order Policy.....	16
9.4 Shipping Discrepancies.....	16

Section 10 | Payment and Shipping.... 16

10.1 Methods of Payment.....	1
10.2 Auto Order Programme.....	16
10.3 Delivery and Risk of Loss.....	16

Section 11 | Distributor Services..... 16

11.1 Changes to Distributorship.....	16
11.2 Addition of Co-Applicants	17
11.3 Change of Address or Telephone Number	17
11.4 Genealogy Reports.....	17
11.5 Commission Statements.....	17
11.6 Errors or Questions	17
11.7 Resolving Problems	17

Section 12 | Inactivity and Termination Policies17

12.1 Inactivity	17
12.2 Termination by USANA	17
12.3 Termination by the Distributor	17
12.4 Effect of Termination	17

Section 13 | Definitions.....18

SECTION 1 | INTRODUCTION

1.1 POLICIES INCORPORATED INTO DISTRIBUTOR AGREEMENT

These Policies and Procedures are incorporated into the USANA Independent Distributor Application and Agreement. Distributor must read and understand these Policies and Procedures prior to using the USANA system to build your independent business. As an Independent USANA Distributor, Distributor must comply with all the terms and conditions set forth in these Policies and Procedures, the Distributor Application and Agreement and the Compensation Plan (hereafter referred to as the “Distributor Agreement”), as well as honour all applicable laws and regulations in Singapore and in the countries in which Distributor operate his or her USANA business.

1.2 PURPOSE

The purpose of the Distributor Agreement is:

- To define the relationship between USANA and you as an Independent Distributor;
- To set standards of acceptable business behavior;
- To assist Distributor in building and protecting his or her business.

1.3 CHANGES

The Company may from time to time amend the Distributor Agreement and Price List. Amendments shall be effective seven (7) days after notification of the changes is published in official USANA publications distributed to all active Distributors.

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, labour difficulties, riots, war, fire, death, curtailment or interruption of a source of supply, government decrees or orders, etc.

1.5 SEVERABILITY

If any provision in the Distributor Agreement is found to be invalid, illegal, or unenforceable, USANA may amend or delete that provision. The amendment or deletion of any clauses or provisions will not affect the remaining clauses and provisions, which will continue in full force and effect.

1.6 COMPLIANCE

USANA never forfeits its right to require Distributor's compliance with the Distributor 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 USANA. The waiver will

apply only to that specific case.

1.7 NO RELIANCE

A Distributor 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.

SECTION 2 | BECOMING A DISTRIBUTOR

2.1 TO BECOME A USANA DISTRIBUTOR

- Be at least the age of majority in Distributors' country of residence;
- Reside in a geographic area where USANA has been approved for business;
- Read the USANA Policies and Procedures and Compensation Plan;
- Submit an original signed Distributor Application and Agreement to USANA or digitally sign your online Distributor Application and Agreement;
- Provide USANA with a current and correct correspondence address and phone number where Distributor can be reached;
- Purchase a USANA Starter Kit for a nominal cost (unless prohibited by law); and
- Have a valid Singapore Identification or Permanent Resident Identification or Business Registration Number (businesses and corporations), or Business Number or Letter of Consent from Ministry of Manpower, if otherwise. USANA requires a valid and acceptable TaxID to assist in the prevention of multiple distributorships.
- USANA reserves the right to accept or reject any application for any reason.
- If USANA determines that the Distributor Application and Agreement contains inaccurate or false contact or other information, it may immediately terminate a Distributorship or declare the Distributor Application and Agreement null and void from its beginning. Further, it is the obligation of the Distributor to report to the Company on an ongoing basis any changes, which affect the accuracy of the Distributor Application and Agreement.

2.2 DISTRIBUTOR BENEFITS

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

- Purchase USANA products and services at the Distributor price;

- Participate in the USANA Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Preferred Customers or Distributors into the USANA business and thereby build a team and progress through the USANA Compensation Plan;
- Receive USANA literature and other USANA communications;
- Participate in USANA-sponsored support, service, training, motivational, and recognition functions upon payment of appropriate charges, if applicable;
- Participate in promotional and incentive contests and programmes sponsored by USANA for its Distributors.
- Distributors may retail USANA products or services and profit from these sales.
- A Distributor's continuation of a Distributorship or acceptance of earnings pursuant to the Compensation Plan or acceptance of any other benefits under the Application and Distributor Agreement constitutes acceptance of the Application and Distributor Agreement and these Policies and Procedures and any and all amendments thereto.

2.3 IDENTIFICATION AND DISTRIBUTOR NUMBER

When USANA receives and accepts a Distributor's original Application and Agreement, USANA will assign a unique Distributor Number to that Distributor. Distributors must use their Distributor Number whenever they call a USANA Distributor Services Representative to place orders and track commissions and bonuses.

USANA requires the Identification Number or Permanent Resident Number or Work Permit Number or Employment Pass Number in registering a Distributor with a valid bank account number in the name of the Distributor.

2.4 TEMPORARY ENROLLMENT

After signing the Distributor Application and Agreement, a Distributor applicant may enrol by telephone or over the Internet to receive a temporary Distributor Number and temporary authorisation 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 Distributor Application and Agreement. The applicant may order a Starter Kit at that time using a valid credit card or cash. The new Distributor's temporary Distributor Number and authorisation will be valid for 21 days, pending USANA's receipt of the Distributor's original Application and Agreement

or the Distributor's digital signature on the online Application and Agreement. USANA reserves the right to remove a distributorship from its system or stop payment of commissions earned if the Application and Agreement has not been received or digitally signed within the 21 day temporary enrolment time period. Once USANA receives the original Distributor Application and Agreement, USANA will assign a permanent Distributor Number to the Distributor and extend the initial Distributorship authorisation period to one full year.

2.5 ANNUAL DISTRIBUTORSHIP RENEWAL

USANA charges Distributors an annual Distributorship renewal fee of SGD 36.00 (This fee is inclusive of Good and Service Taxes and should be subjected to change without prior notice). USANA will automatically charge the fee to the Distributor's credit card or bank account on file with USANA on the anniversary date of the Distributor's application. Distributors without a credit card or bank account must renew by phone or mail. The annual renewal fee will:

- Automatically renew your subscription to USANA publications;
- Renew your Distributor Agreement (signifying your acceptance of and promise to adhere to the most current version of the 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 programmes; retail USANA products; participate in company promotions, contests, and recognition; and attend Company events.

2.6 STARTER KIT

Distributors are not required to purchase USANA products to become a Distributor. However, to familiarise new Distributors with USANA products, services, sales techniques, sales aids, and other matters, USANA requires new Distributors to purchase a Starter Kit.

SECTION 3 | OPERATING A USANA DISTRIBUTORSHIP

3.1 USANA COMPENSATION PLAN

Distributors must adhere to the terms of the USANA Compensation Plan as set forth in official USANA literature. Distributor may not offer the USANA opportunity through, or in combination with, any other trading scheme or through any unapproved method of marketing. Distributors may not require or encourage other current or prospective Preferred Customers or Distributors to participate in USANA

in any manner that varies from the programme as set forth in official USANA literature. Distributors may not require or encourage other current or prospective Preferred Customers or Distributors to execute any agreement or contract other than official USANA agreements and contracts in order to become a USANA Distributor. Similarly, Distributors may not require or encourage other current or prospective Distributors or Preferred Customer 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.

3.1.1 ACTIONS OF HOUSEHOLD MEMBERS OR AFFILIATED INDIVIDUALS

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

3.2 ADVERTISING

Distributors must avoid all discourteous, deceptive, misleading, illegal, unethical, or immoral conduct or practices in their marketing and promotion of USANA, the USANA opportunity, the Compensation Plan, and USANA's products. Only those Distributors 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 Compensation Plan, USANA's products, or their USANA businesses. All other Distributors 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 programmes, as well as e-mail messages, voice mail message recordings, social media sites and Internet Web sites used to publicise USANA, its products, services, or Compensation Plan.

Any Distributor who has achieved the rank of Gold Director or above who desires to create his or 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 or she may use the information to promote his or 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 or her USANA business activities. Gold and higher ranking Directors may only use those promotional materials that USANA has expressly approved. Such materials may not be offered for sale at a profit for a Distributor. It is the Distributor'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 Distributors waive all claims for damages or remuneration arising from or relating to such rescission.

3.2.1 TELEVISION AND RADIO

Distributors may use sales, marketing, and support materials produced by USANA to advertise on television or radio, but only with prior written consent from USANA.

3.2.2 MEDIA ENQUIRIES

Distributors must refer all media enquiries regarding USANA to USANA. This will ensure that accurate and consistent information reaches the general public.

3.2.3 TRADEMARKS AND COPYRIGHTS

- A Distributor 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 Distributors" logo to promote their business, including in business listings. A reproducible copy of the logo can be obtained from USANA.
- Distributors should not answer the telephone in any manner that might indicate or suggest that the caller has reached a USANA corporate office.
- Distributors may not directly or indirectly record or reproduce materials from any USANA corporate function, event, speech, etc.
- Distributors may not directly or indirectly record, reproduce, or copy any presentation or speech by any USANA spokesperson, representative, speaker, officer, director, or other Distributors.
- Distributors may not directly or indirectly reproduce or copy any recording of a USANA-produced media presentation including audio tapes, videotapes, CDs, etc.
- Distributors 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 authorisation from the individual and/or USANA.

- Distributors 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 authorisation from USANA.
- Distributors 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 email address.

3.2.4 USE OF DISTRIBUTOR NAME, LIKENESS, AND IMAGE

Distributor 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 publicising the USANA opportunity, products, or any USANA related or sponsored events.

3.3 DISTRIBUTOR CLAIMS AND REPRESENTATIONS

3.3.1 PRODUCT CLAIMS

When presenting information about USANA products, Distributor must not make therapeutic or medicinal claims about the products, except as set forth in official USANA literature or as shown on the product label. In particular, you may not claim that USANA products are useful in curing, treating, diagnosing, mitigating, or preventing any diseases or related symptoms. Such statements can be perceived as medical or drug claims. Not only would such claims breach your Distributor Agreement, but they would also breach the laws and regulations of the jurisdictions in which USANA operates.

3.3.2 INCOME CLAIMS

Distributors may not make income projections or claims or disclose your USANA income (including the showing of cheques, copies of cheques, or bank statements) when presenting or discussing the USANA opportunity or Compensation Plan.

3.3.3 DENIGRATION OF COMPETITORS

Distributors may not denigrate another company or its products, e.g., using the Comparative Guide to Nutritional Supplement in a way that implies that a competitor's product is of poor quality when compared to USANA's Essential™.

3.3.4 ADVERTISED PRICE

Distributors 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.

3.3.5 INDEMNIFICATION

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

3.3.6 SOCIAL MEDIA

Distributors may use their own social networking sites (Facebook, WeChat, Instagram, etc.), to:

1. Communicate involvement with USANA and other information about the company,
2. Direct social network site users to USANA approved web content, including a Distributor's personal USANA webpage (PWP),
3. Post USANA approved education tools and other approved content,
4. Participate in the following business-building activities: promote upcoming meetings or events, advertise products by linking to Distributor's USANA shopping cart or any other USANA approved material, and encouraging visitors to contact them for more information about the products or business.

It is essential when promoting USANA on social media that USANA Distributors abide by all policies relating to business and product claims. Please refer to sections 3.3.1, and 3.3.2, and 5.1 for a reminder of these policies.

Distributors 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. Distributors are also prohibited from using USANA or its trademark in the profile name of their Facebook page, WeChat page, or web address etc. USANA reserves the right to require a Distributor 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 3.2.

3.4 COMMERCIAL OUTLETS

Distributors may display and retail USANA products in commercial outlets where professional services are the primary source of revenue and product sales are secondary. Approved service oriented establishments may include (but are not limited to) health spas, beauty shops, and physicians' and chiropractors' offices. Unapproved retail-oriented establishments may include (but are not limited to) retail stores, Internet auction sites (i.e.: eBay), and pharmacies. It is a violation of this policy to knowingly be part of any scheme whereby a Distributor provides product to a third party who then offers the product for resale in any unapproved retail-oriented establishment.

3.5 OTHER COMPANIES AND PRODUCTS

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

- Recruiting or enrolling USANA customers or Distributors for other multilevel 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 multilevel marketing business ventures to any USANA Preferred Customer or Distributor, or implicitly or explicitly encouraging any USANA Preferred Customer or Distributor to join other business ventures. It is a violation of this policy to recruit or enrol a USANA Preferred Customer or Distributor for another multilevel marketing business, even if the Distributor does not know that the prospect is also a USANA Preferred Customer or Distributor;
- 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 Distributor'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 Customers or Distributors. Any product or services in the same generic category as a USANA product or service is deemed to be competing, (e.g., 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 an USANA meeting, seminar, launch, convention, or other USANA function; or
- Where a prospective Distributor or Preferred Customer accompanies a Distributor to a USANA meeting or function, no other USANA Distributor may recruit the prospect to enrol in USANA or any other multilevel marketing business for a period of fourteen (14) days or unless and until the Distributor who brought the prospect to the function advises the other USANA Distributor that the prospect has elected not to enrol in USANA and that the Distributor is no longer recruiting the prospect to enrol in USANA, whichever occurs first. Violations of this policy are especially detrimental to the growth and sales of other Distributors' USANA businesses and to USANA's business.
- A Distributor's direct or indirect participation, including 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 multilevel marketing venture they may not participate in USANA's Leadership or Elite Bonus Programmes. A Distributor who accepts Leader Bonus or Elite Bonus while participating in another multilevel marketing venture is in material breach of this Agreement regardless of the Distributor's intent or purpose of such participation.
- A Distributor 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 the Downline Management system (DLM).

3.6 POST-TERMINATION SOLICITATION

For a period of 6 months following the termination of the Distributor Agreement, a former Distributor may not recruit any Distributors or Preferred Customers who formed a part of his/her downline organisation on behalf of any direct selling scheme that competes with USANA.

3.7 GENEALOGY REPORTS

The USANA genealogy reports (Downline Management) are confidential and contain proprietary business trade secrets. Distributors may not use the reports for any purpose other than for developing his or her USANA business. Specifically, Distributors must not:

- Disclose any information contained in the reports to any third party;
- Use the reports to compete with USANA; or
- Recruit or solicit any Distributor or Preferred Customer listed on the reports to participate in other multilevel marketing ventures.

3.8 PERSONAL DATA AND RIGHT TO PRIVACY

3.8.1 PERSONAL DATA

From time to time it will be necessary for Distributors to provide USANA with personal information for purposes related to his or her Distributorship or his or her application to become a USANA Distributor. These purposes may include:

- Processing his or her Distributor Application;
- Development of Genealogy Reports;
- Providing Distributor services such as planning and facilitating Distributor meetings and training;
- Administering Distributor benefits;
- Development and implementing policies, marketing plans, and strategies;
- Publishing personal data in USANA newsletters, promotional materials, and intragroup 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.

3.8.2 COMMUNICATING PERSONAL DATA TO THIRD PARTIES

Where permitted by the provisions of applicable law, USANA may provide Distributors' personal data 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, printing, or other services to USANA or its affiliated companies, including but not limited to distribution centres, 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 Distributor benefits
- Sponsors and upline business leaders who may need access to downline Distributor 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 Identification or Social Insurance Numbers with any third party without your permission

- Persons or organisations seeking references and
- Any government agency or other appropriate governmental, police, or regulatory authority.

3.8.3 DISTRIBUTOR ACCESS TO PERSONAL DATA

Under the Personal Data Protection Act, Distributors have the right to request and obtain from USANA the personal data USANA has on file about him or her and correct any data that are inaccurate (unless an exception applies). A Distributor may also request USANA to inform him or her of the type of personal data maintained by USANA, and the ways his or her Personal Data has been used or disclosed.

The Personal Data Protection Act also requires USANA to obtain your consent in order to use your personal data for marketing purposes. By signing the Distributor Application and Agreement, you have provided USANA with your consent in allowing USANA to use your personal data for marketing purposes. Requests for access to and correction of personal data about USANA's policies and practices regarding personal data, or information about revoking your consent regarding the use of your personal data should be addressed in writing to USANA Customer Service.

3.8.4 RETAIL CUSTOMER PERSONAL DATA

Independent USANA Distributors must comply with applicable data privacy and security laws and regulations regarding the collection, use and disclosure of any personal information they may collect from their retail customers. Data collected are solely for the purpose of completing sales transaction.

3.9 THE TELEPHONE AND E-MAIL SOLICITATION

- USANA does not send "spam" (unsolicited commercial electronic communications in the form of e-mail, text, SMS/instant message) to our Distributors or customers, and USANA prohibit Distributors from using spam to market and sell our products or recruit other distributors. As such, USANA require Distributors to comply with the following rules when using electronic communications to market and promote the USANA opportunity and products:
- Distributor may send commercial electronic communications ONLY to: (a) recipients with whom Distributor have an existing business, family, or personal relationship; or (b) business

referrals, but only if Distributor 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 Distributor.

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

3.10 LIMITED COMPANIES, PARTNERSHIPS, AND TRUSTS

Distributors may initially apply for a Distributorship as a Limited Company, Partnership, Trust, or any other form of business association. Likewise, current Distributors may change the operating status of their Distributorships from individual to a business. In both cases, USANA must receive a copy of the appropriate incorporation documents, along with a properly completed and signed Distributor Application and Agreement (and copy of board minutes authorising the application in the case of a Limited Company). All partners must sign applications by partnerships. All parties to any business entity must accept joint and several liability for any indebtedness or other obligation to USANA.

3.11 DECEPTIVE PRACTICES AND DETRIMENTAL CONDUCT

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

- being honest and thorough in presenting material from the USANA Compensation Plan to all potential Distributors;
- making clear that income from the USANA Compensation Plan is based on product sales and not merely on sponsoring other Distributors;
- making estimates of profit that are based on reasonable predictions for what an average Distributor 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 Distributor might incur in carrying

on the business;

- not misrepresenting the amount of time an average Distributor would have to devote to the business to achieve the profit estimated, and not stating that profits or earnings are guaranteed for any individual Distributor;
- never stating or inferring that Distributors will build a team for anyone else;
- never stating that profits or earnings are guaranteed for an individual Distributor;
- and never stating that any consumer, business, or government agency has approved or endorsed the USANA products or its Compensation Plan.
- never participating in downline purchasing (placing a sale order in a Business Centre 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, an Distributor 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 antipyramid scheme laws. Such manipulations may, in the discretion of the USANA result in the suspension of commissions and termination of the Distributorship.
- If any conduct by a Distributor is determined by USANA to be injurious, disruptive, or harmful to USANA or to other Distributors, USANA may take appropriate action against the Distributor as set forth in Section 8.3.

3.12 INDEPENDENT CONTRACTOR STATUS

Distributors are a self-employed independent contractor. The agreement you have with USANA does not create an employer/employee relationship, agency, partnership, or joint venture between Distributors and USANA. Distributors are responsible for paying his or her own taxes and setting his or her own goals, hours, and methods of sales.

3.13 INDEPENDENT CONTRACTOR STATUS

Distributors should obtain insurance coverage for your business activities.

3.14 PRODUCT LIABILITY INSURANCE

USANA maintains insurance to protect USANA and its Distributors against product liability claims. USANA's “Vendor’s Endorsement” extends coverage to Distributors as long as they market USANA's products in accordance with applicable laws and regulations and the Distributor

Agreement. USANA's product liability policy does not extend coverage to claims that arise as a result of a Distributor's misconduct in marketing USANA's products.

3.15 ASSUMPTION OF RISK

Distributor must understand that while traveling to or from Company related meetings, events, activities, workshops, retreats, or gatherings, he or she is doing so as a part of his or her own independent business and not in any manner as an employee, agent, or functionary of the Company, notwithstanding the fact that his or her attendance may be based in whole or in part by invitation from, or agreement with, the Company to attend. Distributor will assume all risk and responsibility for such travel.

3.16 INTERNATIONAL

Distributors may sell and promote USANA's products and services only in countries in which USANA is approved for business, as announced in official USANA communications. If Distributors desire to conduct business in an authorised country outside Singapore, he or 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, US labeled product may only be sold in the US; Mexico labeled product may only be sold in Mexico.

3.17 ADHERENCE TO LAWS AND ORDINANCES

Distributors must obey all laws that apply to his or her business.

3.18 ONE DISTRIBUTORSHIP

A Distributor 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 Distributor and operate a second distributorship as long as your spouse's distributorship is placed below one of your Business Centres and not in a crossline sales organisation. 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.

3.19 REPACKAGING AND RELABELLING PROHIBITED

Distributors may not relabel or in any way change the labels on any USANA products. Similarly, Distributors may not repackage or refill products, but must sell the products in their original containers. Any such actions could result in criminal charges

and/or expose him or her to civil damages claims.

3.20 SALE, TRANSFER, OR ASSIGNMENT OF DISTRIBUTORSHIP

Distributors may not sell, transfer, or assign his or her Distributorship rights to any person or entity without USANA's express approval. To obtain approval, Distributors must:

- be a Distributor in good standing as determined by USANA in its sole discretion;
- notify USANA in writing of his or her intent to transfer his or her Distributorship;
- satisfy any outstanding debt obligations he or she has with USANA; and
- transfer all individual Business Centres with the Distributorship.

The buyer must:

- be eligible to become a USANA Distributor;
- be able to satisfactorily perform the obligations of a USANA Distributor as determined by USANA in its sole discretion;
- assume the obligations and position of the selling Distributor;
- complete a Transfer of Distributorship Application and submit the required processing fee; and
- complete a Distributor Application and Agreement.

Distributors may not transfer their Distributorship to any person or entity that presently owns, operates, or participates in a USANA Distributorship or has owned, operated, or participated in a USANA Distributorship. USANA reserves the right to review all proposed terms of any sale or transfer and insist on additional terms and conditions prior to approving the proposed sale or transfer. If USANA determines in its sole discretion that a Distributor sold or transferred his/her Distributorship in an attempt to circumvent compliance with the Distributor Agreement, the sale or transfer shall be void.

3.21 SEPARATION OF A DISTRIBUTORSHIP

If Distributors wish to dissolve their jointly held Distributorship, they must do so in such a way as to not disturb the income or interest of their team. Distributors should consider the following when deciding whether or not to dissolve a jointly held Distributorship:

- If a jointly owned Distributorship is dissolved, anyone 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 cheques 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 Distributors 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 Distributor 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.

3.22 SUCCESSION

If a Distributor dies or becomes incapacitated, his or her rights to commissions, bonuses, and team, together with all Distributor responsibilities, will pass to his or 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 Distributor Application and Agreement. He or she may inherit and retain another Distributorship even though he or she currently own or operate a Distributorship. In the case of intestacy, USANA will deem the Distributorship non transferable if it is not contacted by an authorised representative of the estate or the heirs, devisees, successor trustees, personal representative, or executor of the decedent within six (6) months of the Distributor's death.

3.23 TAXES

Distributors are responsible for paying taxes on any income he or she earn as an Independent Distributor.

3.24 TERRITORIES

USANA imposes no territorial limits on Distributors who may operate their USANA businesses anywhere within their country or countries of appointment. Distributors should not in any way state or imply that any territorial restrictions exist.

3.25 TRADE SHOWS AND EXPOSITIONS

Distributors may display and seek orders for USANA products at trade shows and expositions, but the literature displayed must be approved USANA literature and must identify he or she as an Independent Distributor. Distributors may not display or seek orders for USANA products at swap meets, garage sales, or flea markets.

3.26 LINE OF SPONSORING

Distributors have the ultimate right to choose his or her Sponsor. As a general rule, the first Distributor who does meaningful work with a prospective Distributor is considered to have first claim to sponsorship. It is the recruiting Distributor's responsibility to determine whether or not a prospective Distributor is working with another USANA Distributor. Basic tenets of common sense, consideration, and fairness should govern a Distributor's sponsoring activities. If there is any question concerning the sponsorship of a Distributor, the final decision will be made by USANA in its absolute discretion, and said decision will be final and binding on all Distributors. As a general rule, USANA will recognise as the sponsor the first person listed on the Distributors' Application and Agreement.

3.27 TRANSFERRING OF SPONSORSHIP

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

- Where a Distributor has been fraudulently or unethically induced into joining USANA.
- Where an incorrect placement was made due to a Distributor 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 enrolment. If he or her make such a request, he or her must also submit the written consent of his or her Sponsor along with the required placement change fee of SGD10. If at the time of the request he or her have any team 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 Distributors terminate his or her Distributorship in writing he or her may rejoin under the Sponsor of his or her choice after a period of 6 months. Following termination of his or her Distributorship, he or she may participate as a Preferred Customer during the 6-month period. In the event Distributors terminate his or her Distributorship, he or her forfeit all rights, bonuses, and commissions under his or her previous line of sponsoring. Distributors may not avoid compliance with this policy through the use of assumed names, corporations, partnerships, trusts, spouse names, social insurance numbers, social security numbers, employer identification numbers, fictitious ID numbers, etc. Distributors also may not avoid compliance with this policy by allowing a former Distributor to participate in anyway in his or her Distributorship.

- If Distributors Business Centre(s) have been “closed down” (i.e., no purchases or sales of USANA products or participation in any other form as a Distributor) for a period of 12 successive months, he or she may terminate his or her Distributorship in writing and rejoin immediately under the Sponsor of his or her choice.

3.28 CROSS-LINE RAIDING

Cross-line raiding is strictly prohibited. “Crossline raiding” is defined as the enrolment or attempted enrolment of an individual or Entity that already has a current Preferred Customer or Distributor 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, corporations, partnerships, trusts, spouse names, social insurance numbers, social security numbers, employer identification numbers, or fictitious ID numbers to circumvent this policy is prohibited. Distributors may not demean, discredit, or invalidate other USANA Distributors in an attempt to entice another Distributor to become part of the first Distributor’s team.

SECTION 4 | RESPONSIBILITIES OF DISTRIBUTORS AND SPONSORS

4.1 SUPERVISION, TRAINING, AND SALES

Any Distributor who sponsors another Distributor into USANA must train the new Distributor in product knowledge, effective sales techniques, the Compensation Plan, and the Policies and Procedures. Distributors must also supervise and monitor Distributors in their team to ensure they conduct business professionally and ethically, promote sales properly, and provide quality customer service. As a Distributor progresses through the various levels of leadership, his or her responsibilities to train and motivate downline Distributors will increase. When sponsoring or enrolling a new Distributor, it is the responsibility of the sponsoring Distributor 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 their execution of the Distributor Agreement.

4.2 LEADERSHIP

Any Distributor who sponsors another Distributor into USANA must train the new Distributor in product knowledge, effective sales techniques, the Compensation Plan, and the Policies and Procedures. Distributors must also supervise and monitor Distributors in their team to ensure they conduct business professionally and ethically,

promote sales properly, and provide quality customer service. As a Distributor progresses through the various levels of leadership, his or her responsibilities to train and motivate team members will increase.

4.3 HOLDING APPLICATIONS AND ORDERS

Distributors should forward to USANA any forms or applications he or she received from other Distributors or Preferred Customers by the next business day after their signing, unless the Distributor or Preferred Customer expressly requests that he or she hold the form.

4.4 REPORTING POLICY VIOLATIONS

Distributors should report any observed violations of the Distributor Agreement to USANA.

SECTION 5 | SALES REQUIREMENTS

5.1 PRODUCT SALES

The USANA Compensation Plan is based on selling products and providing service to end consumers. To qualify for commissions, Distributors must satisfy the following requirements:

- A minimum of seventy percent (70%) of a Distributor’s orders must be for personal consumption and/or sold to other customers or end users. The sales volume of a Distributor’s personally enrolled Preferred Customers shall be included for the purposes of determining compliance with the 70% requirement. Distributors may not purchase additional product until at least seventy percent (70%) of the previous order has been personally consumed or sold to end consumers
- provide a receipt to his or her retail customers that specifies date of sale, amount of sale, items purchased, and the USANA Satisfaction Guarantee. Distributors should retain his or her copy of the sales receipts for a period of 2 years.

To help fulfil his or her product sales obligations, USANA strongly urges Distributors to regularly develop new Preferred or retail customers.

5.2 SUGGESTED RETAIL PRICE

Distributors may sell USANA products at any price they choose. Distributors are not allowed to sell USANA Products at prices that are lower than the purchase price from USANA. USANA reserves the right to suspend or terminate the Distributorship if Distributors are found to have violated this rule.

5.3 EXCESSIVE PURCHASES OF INVENTORY PROHIBITED

USANA strictly prohibits excessive product purchases, or gifting of product, solely for the

purpose of qualifying for commissions, bonuses, or advancement in the Compensation Plan. Distributors may not purchase more than they can reasonably resell or personally consume in any four-week rolling period as determined by the Company, nor encourage others to do so. Distributors may receive an exception to this rule if they have evidence or submit an explanation to justify the need for inventory levels exceeding the limit.

Distributors are not required to carry inventory of products or sales aids other than the initial Starter Kit. Distributors 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 Distributor's needs. Each Distributor must make his/her own decision with regard to these matters.

5.4 DEPOSITS AND PAYMENTS BY CUSTOMERS

Distributors should not collect any money from a retail customer until he or she have delivered customer's their products.

SECTION 6 | BONUSES AND COMMISSIONS

USANA pays commissions weekly. Distributors should review his or her commission statement and report any errors within 30 days. Errors or discrepancies that are not brought to USANA's attention within the 30-day period will be deemed waived by the Distributor.

6.1 ADJUSTMENT OF BONUSES AND COMMISSIONS

Distributors earn commissions and bonuses based on product sales to end consumers. Accordingly, USANA will adjust commissions and bonuses earned from any sale when the Distributor 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 Distributors' group volume within the first 2 weeks after the refund is given.

6.2 RIGHTS TO EARN COMMISSIONS

Distributors must be an active Distributor and in compliance with the terms of the Distributor Agreement to qualify for commissions and bonuses.

6.3 UNCLAIMED COMMISSIONS AND CREDITS

Unpresented cheques are void after 6 months from the date of issue. Any unclaimed credit on your account will be held in trust for 6 years, during which time USANA may periodically notify Distributors in writing of his or her credit balance. USANA will charge a fee of SGD30.00, inclusive of Good and Service Taxes (G.S.T) for each such

notification or attempted notification.

6.4 RIGHTS TO EARN COMMISSIONS

USANA reserves the right to charge a reasonable processing fee, inclusive of Good and Service Taxes, to offset the costs to USANA of processing weekly commission payments and statements. Information on the current charge can be obtained from Customer Service.

SECTION 7 | PRODUCT GUARANTEES AND BUYBACK POLICIES

USANA warrants the quality of its products and shall exchange any defective product. Anyone returning a damaged or defective product must complete the Distributor Product Exchange or Return Form. Product exchanges made for the purpose of favourable gain though maximising commissions or manipulating the compensation plan (as evidenced though patterns observed outside of the average Distributor pattern of exchanges) will not be honoured and are considered a material breach of the Distributor Agreement.

7.1 RETAIL CUSTOMERS

USANA obligates all Distributors to honour its 100%, 60-day moneyback guarantee to all retail customers. If for any reason a retail customer is dissatisfied with any USANA product, he or she may return the product to the Distributor from whom he or she purchased it within 60 days from the date of purchase for a replacement, exchange, or full refund of the purchase price. No return or refund will be entertained should the product in question be consumed by one third or more. If the retail customer requests a refund, the Distributor who sold the product to the retail customer must immediately refund the retail customer's purchase price. The Distributor, in turn, should complete a Dissatisfied Customer Product Return Form and forward the form to USANA along with the original sales receipt and the returned merchandise. USANA will then replace the returned merchandise with like product.

7.2 PREFERRED CUSTOMERS

USANA offers Preferred Customers a 100%, 60-day money-back guarantee on every product order. No return or refund will be entertained should the product in question be consumed by one third or more. A dissatisfied Preferred Customer should return the product to USANA for replacement, exchange, or full refund.

7.3 DISTRIBUTORS

7.3.1 INITIAL ORDER

If Distributors elect to terminate his or her

distributorship within 60 days after his or her enrolment as a USANA Distributor, USANA

will refund 100% of the price of his or her Starter kit and initial product order (less handling and delivery charges), provided the kit and products are returned in resalable condition. Distributors must return the products and the kit to USANA with handling and delivery charges prepaid and with a letter explaining that he or she wish to terminate his or her Distributorship and receive a refund.

7.3.2 ALL OTHER RETURNS

After his or her initial order, Distributors may return to USANA products, including promotional materials and sales aids, purchased within the past 6 months for a refund of 100% of the purchase price (less handling and delivery charges) if the merchandise is in resalable condition. However, USANA reserves the right to cancel a Distributor's Agreement if, in the opinion of USANA, the Distributor returns an unreasonable or excessive amount of products of more than 100SVP. Moreover, USANA may deduct from the amount of the refund any commissions or bonuses Distributors may have received as a result of the products Distributors are returning. No return or exchange for products not sold in Singapore.

7.3.3 PROCEDURE FOR DISTRIBUTOR RETURNS

To receive a refund, exchange, or replacement on product Distributors have purchased he or she must:

- 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. Distributors are responsible for tracing his or her return shipment should that be necessary. Refund will be transferred to the Distributor's credit card account or settled in the form of cheque within four to six weeks after the return procedures are cleared. A SGD2 administration fee, inclusive of Goods & Services Tax (G.S.T) applies for each exchange of products.

If Distributors return product from a retail customer, he or 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 Form, a copy of the original sales receipt, and the unused portion in the original container.
- only the Distributor who ordered the product from USANA may return it.
- USANA is not liable for items lost in transit.

SECTION 8 | DISPUTE RESOLUTION AND VIOLATION OF AGREEMENT

8.1 DISPUTES BETWEEN DISTRIBUTORS

If Distributors have a grievance or complaint about another Distributor's conduct in relation to his or her USANA business, Distributors should attempt to resolve the issue with the advice and assistance of his or her Gold Director. If Distributors cannot resolve the dispute, Distributors should contact USANA and supply all the facts in writing.

8.1.1 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 Distributor was not in violation of the Distributor Agreement, USANA will promptly pay the Distributor 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 DISPUTES BETWEEN USANA AND DISTRIBUTORS

The Distributor Agreement is governed by and construed in accordance with the laws of the State of Utah. The parties to the Distributor Agreement hereby irrevocably submit to the nonexclusive jurisdiction of the Utah courts.

8.3 VIOLATION OF AGREEMENT

Violation of any of the terms and conditions of the Distributor Agreement, or any illegal, fraudulent, deceptive, or unethical business conduct by a Distributor, 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 Distributor 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 Distributor satisfies certain specified conditions;

- suspension of certain privileges of Distributorship, including but not limited to placing a product order, participating in USANA programmes, progressing in the Cellular Compensation Plan, or participating as a sponsor, for a specified period of time or until the Distributor satisfies certain specified conditions;
- withholding commissions or bonuses for a specified period of time or until the Distributor 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

Distributors can visit USANA's office and place his or her orders in person. Distributors may also place orders by telephone, fax, mail, e-mail, through the Internet, or through the Auto Order Programme. Call Customer Service for his or her Personal Identification Number (PIN number) to order through the Internet.

- When ordering by phone—be prepared to present all information requested on the Distributor Product Order Form. Payments will be made by direct debit if available or credit card.
- When ordering by fax—print information legibly on the order form and use the white copy to fax. Payments may be made by direct debit (if available) or credit card.
- With each order Distributors must indicate whether the order is for personal consumption or for retail sales.

9.1 AUTO ORDER PROGRAMME

Distributors and Preferred Customers may participate in USANA's Auto Order Programme. The Auto Order Programme is voluntary, and USANA does not require Distributors to participate in the programme as a prerequisite to participating in USANA's marketing plan. To enrol in the Auto Order Programme, simply complete the Distributor Auto Order Agreement and Product Order Form and identify the products Distributors wish to have automatically ordered each 4-week period. USANA will automatically debit his or her credit card or bank account for the amount of the product order plus applicable handling and delivery charges. If Distributors wish to change his or her Auto Order, please contact USANA.

9.2 ORDERING USANA PRODUCTS

Distributors must order your products directly from USANA to receive sales volume credit associated

with that purchase.

9.3 BACK ORDER POLICY

USANA does not backorder out-of-stock items unless they are Auto Order items.

9.4 SHIPPING DISCREPANCIES

Requests for correction of shipping discrepancies should be made within 30 days of shipment. To correct shipping discrepancies, follow the steps outlined on the Distributor Product Exchange or Return Form.

SECTION 10 | PAYMENT AND SHIPPING

10.1 METHODS OF PAYMENT

USANA will accept the following methods of payments:

- credit cards—USANA accepts Visa and MasterCard in Singapore.
- direct debit—USANA can debit a Distributor or Preferred Customer's bank account for the amount of his or her order.

10.2 AUTO ORDER PROGRAMME

- Once initiated, Distributors' Auto Order will remain in effect until he or she terminate it in writing.
- USANA must receive any changes or terminations in writing by the Friday of the week prior to the order being processed.
- Distributors' participation in the Auto Order Programme is completely optional and does not relieve he or she from compliance with the 70% resale rule for earning commissions.
- USANA Singapore reserves the right to limit Distributor's account activities if Auto Order are uncollected for two (2) Auto Order cycles. Products that are uncollected for four (4) Auto Order cycles will be sent to the latest address in our USANA record.

10.3 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. 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.

SECTION 11 | DISTRIBUTOR SERVICES

11.1 CHANGES TO DISTRIBUTORSHIP

In general, Distributors must notify USANA in

writing of any change to the information in his or her Distributor Application and Agreement.

11.2 ADDITION OF CO-APPLICANTS

If Distributors wish to add a co-applicant to his or her existing Distributorship, Distributors must provide USANA with a written request and a properly completed Distributor Application and Agreement for the co-applicant. 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.

11.3 CHANGE OF ADDRESS OR TELEPHONE NUMBER

Please notify USANA immediately of any change to Distributors' telephone number or street address by completing and submitting the "Change of Address section" on the Change to Distributor Account Form. If Distributors are participating in the Auto Order Programme, please indicate that fact on his or her Change to Distributor Account Form.

11.4 GENEALOGY REPORTS

Distributor may order genealogy reports by subscribing to The Income Maximizer on your Auto Order.

11.5 COMMISSION STATEMENTS

USANA will mail Distributors' commission statements and attach a cheque if he or she has not elected payment by electronic transfer.

11.6 ERRORS OR QUESTIONS

If the information on Distributors' genealogy report is inaccurate or incomplete, Distributors must notify USANA within 30 days of receiving his or her report.

11.7 RESOLVING PROBLEMS

If Distributors have any questions regarding shipments, orders, commissions and bonuses, or the Cellular Compensation Plan, please write or call the Distributor Service Department.

SECTION 12 | INACTIVITY AND TERMINATION POLICIES

12.1 INACTIVITY

If Distributors do not achieve the Personal Volume requirements specified in the USANA Compensation Plan for any 4-week rolling period, Distributors will not receive a commission for the sales generated through his or her team for the 4-week period.

12.2 TERMINATION BY USANA

USANA may terminate a Distributorship for a violation of the Distributor Agreement. When USANA terminates a Distributorship, it will notify the Distributor by recorded delivery mail at the Distributor's address on file with USANA. Termination is effective on the date on which written notice is mailed via recorded delivery mail to the Distributor's last known address or when the Distributor receives actual notice of termination, whichever occurs first. In the event of termination, the Distributor must immediately cease representing himself or herself as a USANA Distributor. A Distributor whose Distributorship has been terminated may reapply to become a Distributor 12 months after the date of termination. He or she should write to USANA setting forth the reasons why he or she believes USANA should allow him or her to operate a Distributorship again.

The Distributor may appeal the termination to the USANA Compliance Department. The Distributor's appeal must be in writing and must be received by the company within fifteen (15) calendar days of the date of USANA's cancellation letter. If USANA does not receive the appeal within the fifteen day period, the cancellation will be final. The Distributor must submit all supporting documentation with his or her appeal correspondence. The written appeal will be reviewed by the Compliance Department. If the Distributor files a timely appeal of termination, the Legal Services Department will review and reconsider the termination, consider any other appropriate action, and notify the Distributor in writing of its decision. This decision of the Compliance Department will be final.

12.3 TERMINATION BY THE DISTRIBUTOR

Distributors may terminate your Distributorship at any time and for any reason by notifying USANA in writing that he or she wish to terminate his or her Distributorship Agreement. Distributors are to provide USANA with his or her signature, printed name, address, and appropriate Distributor Number.

12.4 EFFECT OF TERMINATION

Following termination for whatever reason, the Distributor shall have no right, claim, title, or interest in his or her team or any future bonuses and or commissions from the sales generated from it. The former Distributor:

- Shall not hold himself or herself out as a USANA Independent Distributor;
- Shall not have the right to order or sell USANA products or services;
- Must remove any USANA sign from public view; and
- Must discontinue using all sales materials bearing any USANA logo, trademark, or service mark.

A Distributor who terminates his or her Distributorship voluntarily will receive commissions and bonuses up to and including the last full calendar week prior to his or her termination. A Distributor whose Agreement is terminated by USANA will also receive commissions and bonuses up to and including the last full calendar week prior to his or her termination unless USANA has withheld commissions and bonuses during an investigation of the Distributor's conduct giving rise to the termination. If such investigation of a Distributor's conduct results in termination of the Distributorship, the Distributor shall not be entitled to recover withheld commissions and bonuses.

SECTION 13 | DEFINITIONS

Active Distributor: A Distributor who satisfies the minimum Personal Volume requirements as set forth in the USANA Compensation Plan.

Authorised Country: Any country or territory where USANA is officially open for business.

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

Customer: A retail or Preferred Customer

Distributor: An individual who has executed a Distributor Application and Agreement that has been accepted by USANA. A Distributor may also be an end consumer.

Distributor Agreement: The terms and conditions of the Distributor Application and Agreement, the USANA Policies and Procedures, and the Compensation Plan.

Starter Kit: A selection of USANA training materials and business support literature designed to familiarise new Distributors with USANA products, services, sales techniques, sales aids, and other business matters.

Team: All those Distributors who have been personally sponsored by a Distributor and all those sponsored by them and so on. Also includes all Preferred Customers personally sponsored by the Distributor.

Four-Week Rolling Period: The four pay periods (four Fridays) after a Distributor places a product order of 100 points or more. If a Distributor places an order on a Friday, the Friday on which the order is placed does not count as the first of the four pay periods in the Distributor's volume period.

Example: If a Distributor places his order on Thursday, November 21, 2013 (blue cycle) to remain active, the Distributor must place his/ her next product order no later than Friday, December 20, 2013.

Example: If a Distributor places his order on Friday, November 29, 2013 (yellow cycle) to remain active, the Distributor must place his or her next product order no later than Friday, December 27, 2013.

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

Genealogy Report: A report generated by USANA that provides data relating to the identities of Distributors and sales information of each Distributor's team. This report contains proprietary information.

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

Left-Side Group Sales Volume (GSV): The commissionable volume of products sold in the left side of a particular Business Centre.

Right-Side Group Sales Volume (GSV): The commissionable volume of product sold in the right side of a particular Business Centre.

Personal Sales Volume: The value, in points, of USANA products purchased by a Distributor for retail sales.

Level: The layers of Distributors in a particular Distributor's team. This term refers to the relationship of a Distributor relative to a particular upline Distributor, determined by the number of Distributors between them who are related by sponsorship.

Team: A Distributor's team consists of all Preferred Customers and Distributors below him/her.

Preferred Customer: A person who has opened a Preferred Customer account with USANA. A Preferred Customer may purchase USANA products at preferred prices, but he/she is not authorised to resell USANA products or participate in the USANA Compensation Plan. A Preferred Customer is an end consumer.

Titled Distributor: A Distributor who has received commission and a title (i.e., Sharer or Believer, for group volume sales).

Resalable: Goods shall be deemed "resalable" if each of the following elements is satisfied:

- they are unopened and unused;
- packaging and labelling has not been altered or damaged;
- the product and packaging are in a condition that permits USANA to sell the merchandise at the full Distributor or Preferred Customer price;

- the product is returned to USANA within one year from the date of the original order;
- the product expiration date should not elapse within the next three months; and
- the product contains current USANA labelling.

Retail Customer: A person who orders USANA products through a USANA Distributor for consumption. A Retail Customer is an end consumer.

Retail Profit: The difference between the Distributors price of products and the suggested retail price a Distributor receives for products when they are sold to a retail customer.

Sponsor: A Distributor who enrolls a new Distributor or Preferred Customer and is listed as the sponsor on the Distributor Application and Agreement.

In the event that Distributors are reading this information in a language other than the English language, he or she acknowledges and agrees that the English language version hereof shall prevail in case of inconsistency or contraction in interpretation or translation.



USANA Health Sciences, Inc.
3838 W. Parkway Boulevard | Salt Lake City, UT 84120

Effective Date: 08/03/20

CCR-015428 SG EN 07/20