



USANA

AUSTRALIA
TERMS & POLICIES

Effective Date: 24 August 2021

TERMS & POLICIES

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1. APPLYING TO BECOME AN ASSOCIATE

You may apply to become an Associate by completing the following steps:

- Complete, sign, and return an online or hardcopy Associate Application to the Company;
- Purchase a Welcome Kit.

All information on how to complete an Associate Application and obtain a Welcome Kit can be received from your Sponsor. Other than the Welcome Kit, you are not required to purchase any Products or materials to become an Associate.

2. MINIMUM AGE

Persons under the age of majority in the person's country of residence may not be Associates, and no Associate shall knowingly Recruit or Sponsor, or attempt to Recruit or Sponsor, any person under the age of majority.

3. [RESERVED]

4. TEMPORARY ENROLMENT

A new Enrolment will be considered temporary for thirty (30) days, during which time the Associate must agree to the terms of the Agreement. If an Associate has not agreed to the terms of the Agreement by the end of the 30-day temporary enrolment period, the Associate's account will be placed on hold and may be terminated.

5. ASSOCIATE RIGHTS AND PRIVILEGES

The Agreement grants Associates the following rights and privileges:

- Purchase USANA Products at the discounted Associate price;
- Participate in the USANA Compensation Plan (and receive bonuses and commissions, to the extent eligible);
- Sponsor other individuals as Preferred Customers or Associates in to the USANA business and thereby build a Team;
- Sell USANA Products and keep the difference between the price the Associate paid the Company for the Products and the price at which the Associate sold the Products to Customers;
- Participate in promotional and incentive contests and other USANA programs;
- Attend USANA conventions and events internationally (at your own expense); and
- Participate in USANA-sponsored support, service, training, motivational, and recognition functions upon payment of appropriate charges, if applicable.

An Associate's continued participation in any of the above activities or acceptance of any

other benefits under the Agreement constitutes acceptance of the Agreement and any and all renewals and amendments thereto.

6. INDEPENDENT CONTRACTOR STATUS

Associates are independent contractors. The Agreement does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Associate, and Associates shall not represent themselves to be employees, agents, or representatives of the Company or purchasers of a franchise. Associates are responsible for paying their own income and employment taxes, and for their own business expenses. Associates are not entitled to benefits that USANA may make available to its employees. Associates may engage helpers or assistants without seeking approval from the Company, but any Associate who hires others remains fully responsible for the activities of such helpers or assistants, such that any breaches of the Agreement by any such person will be deemed to have been committed by the Associate who hired such person. **Associates will not be treated as employees for tax purposes or for any other reason.**

Associates shall establish their own goals, hours, place of business, and methods of sale, so long as they comply with the Agreement. Associates are solely responsible for all decisions made and all costs incurred with respect to their activities under the Agreement. All Associates assume all entrepreneurial and business risk in connection with the Agreement. Associates are responsible for obtaining any applicable state or local licenses, permits, and other governmental approvals, including, without limitation, any qualifications that may be required to transact business in states other than his/her domicile.

7. TERMINATION BY ASSOCIATE

An Associate may voluntarily terminate the Agreement in the following ways:

- **Written Notice.** An Associate may terminate the Agreement at any time, regardless of reason. Termination must be submitted in writing to the Company by email at CustomerServiceANZ@usanainc.com or by mail at its principal business address.
- **Failure to Renew.** Failure to renew The Agreement.
- **Failure to Re-affirm Adherence to the Agreement.** From time to time, Associates may be prompted to re-affirm the application of, and adherence to, the Agreement. Failure to agree to the Agreement may result in the termination of the Agreement.

8. ADHERENCE TO COMPENSATION PLAN

Associates must adhere to the terms of the Compensation Plan. Associates shall not:

- Require or encourage other current or prospective Customers or Associates to participate in USANA in any manner that varies from the Compensation Plan;
- Require or encourage other current or prospective Customers or Associates to execute any agreement or contract other than official USANA agreements and contracts in order to become an Associate or Preferred Customer;
- Require or encourage other current or prospective customers or Associates to make any purchase from, or payment to, any individual or other entity to participate in the Compensation Plan, other than those purchases or payments identified in Official USANA Material;
- Sell, or attempt to sell, lead lists to other Associates; or
- Create their own enrolment form. Online Associate Enrolments may only occur through USANA's corporate website or an Associate's USANA personal webpage. All other Associate-created websites must link to the Associate's USANA personal webpage for enrolment.

9. ASSOCIATE-CREATED MATERIAL

Associates may produce their own advertising or training materials, provided the materials comply with all of the provisions of these Terms & Policies, including that the material:

- Clearly identifies that the material is created by an Independent Associate by visibly adding USANA's Independent Associate logo to the material, which is available for download from The Hub. Associates must not use any official USANA corporate logo on their personal advertising or training materials;
- Is produced in a professional and tasteful manner and does not reflect poorly upon USANA, including containing any material considered to be, in the Company's discretion, discourteous, deceptive, misleading, illegal, indecent, unethical, offensive, or immoral;
- Is truthful in content, makes no misleading or deceptive Income Claims or Lifestyle Claims, or therapeutic product claims;
- Does not imply an employment opportunity;
- Follows all laws and rules of conduct that apply to advertising and ethical business practices;
- Is not in violation of any intellectual property rights of the Company or any third party;
- Does not imply that such material has been approved, endorsed, produced, or recommended by USANA;
- Is not sold to other Associates for a profit; and

- Is only promoted within the Associate's own Upline and Team.

To ensure full compliance with USANA's advertising policy, Associates who wish to create independent advertising material must abide by the terms of these Terms & Policies and complete the Advertising Checklist, which can be found on The Hub. Completion of the Advertising Checklist authorises the Associate to produce advertising material. A breach of this Section will result in appropriate action including possible suspension or termination of the Agreement. Should an Associate want to have his/her personally created advertising material reviewed by USANA's Ethics & Education Department, it can be submitted to ethics@usanainc.com. USANA reserves the right to review and require editing or removal of material at its discretion.

10. PRODUCT CLAIMS

Associates shall not make any claim that USANA Products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any disease, symptoms of a disease, sickness, or injury, or influencing, inhibiting, or modifying a physiological process. Such statements may be misleading or deceptive and prohibited under the *Australian Consumer Law*, and may also breach the *Therapeutic Goods Act 1989 (TGA)*. Prohibited claims by Associates shall render USANA's Products' liability insurance unavailable to the Associate.

Associates should not claim or imply that any Product is registered with or approved by any regulatory authority.

In addition to any other law, Associates must abide by the Therapeutic Goods Advertising Code when making claims, testimonials, or endorsements about Products that are registered in the Australian Register of Therapeutic Goods (**ARTG**). The advertisement must, amongst other things:

- Not promote a Product which is registered under the TGA for any use other than as listed in the ARTG entry;
- Support safe and proper use;
- Not directly or indirectly lead people to delay necessary medical attention;
- Not encourage inappropriate or excessive use;
- Not contain claims of exaggerated or misleading properties; and
- Not be misleading about side effects or possible harm.

A personal testimonial is a statement about a therapeutic product made by a person that claims to have used that product. Associates are prohibited from making personal testimonials or using

testimonials from other Associates about TGA-registered Products. Testimonials made by a person other than an Associate may only be used if it has been properly verified and approved by USANA.

An endorsement is made when a person or organisation approves of a TGA-registered product but does not make a claim about the outcomes of the use of that product. Associates must not claim that any TGA-registered Products are endorsed by any of the following:

- a government authority, hospital, or healthcare facility;
- an employee or contractor of a governmental authority, hospital, or healthcare facility;
- a health practitioner, health professional, medical researcher, or similar persons;
- any organisation or employee or contractor of an organisation that represents the interests of healthcare consumers, health practitioners, health professionals, or medical researchers, or conducts or funds research into any disease, condition, ailment, or defect.

Associates may only advertise endorsements about registered TGA Products that are expressly permitted and in the form approved by USANA.

For further information about USANA's list of approved product claims, testimonials, and endorsements please refer to the USANA Advertising Guidelines available [here](#).

11. INCOME AND LIFESTYLE REPRESENTATIONS

When presenting or discussing the USANA Business Opportunity or Compensation Plan, Associates may not make income claims, representations, or testimonials (collectively "Income Claims") that are misleading or deceptive.

Misleading and deceptive Income Claims include, but are not limited to, any claim, testimonial, statement, or other representation, whether written or oral, that pertains to any of the following in connection with the USANA Business Opportunity:

- Exaggerated or guaranteed incomes, earnings, or profits;
- Hypothetical, potential, or estimated incomes, earnings, or profits that are in any way misleading;
- Claims that Associates may earn residual or unlimited income or otherwise replace their income;
- Claims that Associates may obtain financial freedom; or
- Any other false, untruthful, incomplete, or

otherwise misleading or potentially misleading information that misrepresents the typical income or earning results of USANA Associates.

To not be misleading or deceptive, an Income Claim must strictly adhere to each of the following requirements:

- The Associate must include the appropriate Income Disclaimer. Current Income Disclaimers are available on The Hub.
- Associates may not disclose the amount of any bonus, commission, or other compensation from USANA or show cheques, copies of cheques, bank statements, tax statements, or similar financial records; and
- Associates may not alter or verbally embellish the Income Disclaimers in any way, including, but not limited to, adding any text.

Associates may not make misleading or deceptive "lifestyle" Income Claims ("Lifestyle Claims"). A Lifestyle Claim is a statement or depiction that implies or states that an Associate can achieve non-typical results. Examples of deceptive Lifestyle Claims include, but are not limited to, statements or claims that the USANA Business Opportunity will lead to:

- Early retirement or being able to quit one's job;
- Income equivalent to a full-time career ("career-level income");
- A luxury lifestyle;
- The ability to purchase a home or vehicle;
- Vacations; or
- Anything similar thereto that misrepresents the typical income or earning results of USANA Associates.

Additionally, Associates shall not mention or refer to USANA in connection with any misleading or deceptive Income Claim or Lifestyle Claim by way of implication, for example, by mentioning USANA in a social media post in close proximity to a post suggesting a luxury lifestyle.

When presenting or discussing income or the Compensation Plan, Associates must make it clear to prospects that financial success in USANA requires commitment, effort, and sales skill. An Associate must never represent that one can be successful without diligently applying themselves or that earnings are guaranteed.

12. SOCIAL MEDIA

Associates are responsible to ensure all content and material they produce and/or post, as well as all postings on any social media site they own, operate, or control, is in compliance with these Terms &

Policies. Examples of social media platforms include, but are not limited to, blogs, Facebook, Instagram, Twitter, LinkedIn, YouTube, WeChat, or Pinterest. However, any information designed to solicit an Associate, Preferred Customer, or prospect to buy USANA products and/or services, attend a USANA event, or encourage Associates, Preferred Customers, or prospects to contact him/her for more information would be considered an advertisement under these Terms & Policies and thus fall under the advertising guidelines as set forth herein.

13. SALES PRICE

Associates may sell Products from their inventory at any price they choose. Associates may also advertise the following non-price incentives in conjunction with Products: free shipping, free or discounted logo gear, and product samples.

14. DISCLOSURE OF COMMISSIONS AND OTHER BONUSES

Associates are required to ensure that when they sell Products, Customers are aware that the Associate and other Associates in their Upline may receive commissions and other bonuses under the Compensation Plan. Associates are not required to disclose any specific information in relation to the commissions and other bonuses it is entitled to under the Compensation Plan.

15. EMAIL SOLICITATION

To comply with the law and to avoid harm to USANA's brand integrity, Associates are prohibited from sending unsolicited marketing messages (including SMS) or emails to promote USANA, its Products, and Business Opportunity to individuals who have not specifically requested such information. Requests for messages or emails to cease by recipients must be honoured immediately.

16. MEDIA INQUIRIES

Associates may not promote the Products or Business Opportunity through interviews with the media, articles in publications, news reports, blogs, or any other public information, trade, or industry information source, unless USANA approves it in advance. If an Associate receives an inquiry from any member of the media or a widespread media outlet (e.g., national, worldwide news outlet) at a USANA event, he/she should refer the inquiry to ethics@usanainc.com.

17. INTELLECTUAL PROPERTY

USANA is the sole and exclusive owner of all USANA intellectual property, including USANA Product names, trademarks, trade names, trade dress, patents, copyrights, and trade secrets (collectively "Intellectual Property"). Unless otherwise

communicated by the Company, Associates are granted a limited license to utilise Intellectual Property to advertise USANA's products and to promote their USANA Business, in accordance with these Terms & Policies. Associates may not use any Intellectual Property for any other purpose. Each Associate's limited license to use Intellectual Property terminates immediately upon the termination (for any reason, whether termination is voluntary or involuntary) of the Associate's Business. Upon the termination of the limited license, the former Associate shall immediately discontinue using Intellectual Property, return all hard copies of Intellectual Property to USANA, and permanently delete any electronic copies of Intellectual Property. To protect the Company's brand integrity and intellectual property, Associates may not:

- Attempt to register or sell any Intellectual Property in any country;
- Use any Intellectual Property, or any derivative or confusingly similar variation thereof, in any legal entity name, website URL, or email address;
- Use the Company name in a social media handle, username, or profile name unless the use clearly indicates that the Associate is independent and complies with this Section;
- Record or reproduce audio or visual materials from any USANA corporate function or presentation by any USANA representative, employee, or other Associates;
- 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; or
- 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.

Associates are allowed to use USANA in their social media handle or username or profile name if the Associate:

- Includes their name or business name as it is on file with USANA; and
- Clearly identifies themselves as an Independent Associate in the profile bio.

If the social media page is for a group, private or public, there must be a single contact person listed in the bio or profile.

18. USE OF ASSOCIATE NAME, LIKENESS, AND IMAGE

Associates grant USANA a perpetual and irrevocable license to use the Associate's name,

testimonial, picture, photograph, image, video and/or audio recording, as well as any other likeness of the Associate in USANA's promotional material. **Associates waive all rights of publicity and further waive all rights to compensation for USANA's use of such material.**

19. SERVICE OUTLETS

To protect USANA's brand integrity, Associates may display and retail Products only in facilities that are primarily service-related businesses (defined as businesses where services are the primary source of revenue). Approved facilities include, but are not limited to, health spas, beauty shops, and physicians' and chiropractors' offices. No Product banners or other USANA advertising material may be displayed to the general public in a manner as to attract the general public into the establishment to purchase Products. Associates are not allowed to market or sell Products in any other type of retail outlet (e.g., non-service related businesses where services are not the primary source of revenue). Prohibited retail outlets include, but are not limited to, brick and mortar retail outlets and kiosks.

20. ONLINE SALES

Associates may sell Products via online sources such as a social media site or website under control of the Associate. To protect USANA's brand integrity and other Associates' ability to meaningfully participate in the Business Opportunity, online sales are NOT permitted on internet classified ad sites, auction sites, ecommerce shopping sites, or order fulfillment sites including, but not limited to, Amazon, eBay, Facebook Marketplace, Craigslist, and Taobao. Promotion of Products through any approved online medium must comply with all promotion and marketing policies in these Terms & Policies. If an Associate sells Products through his/her social media site(s), the sales volume generated through the site(s) must be assigned to one of the Business Centres operated by the Associate whose social media site generated the sale; the Sales Volume may not be assigned to a Business Centre of any other Associate nor may Sales Volume from a single order be spread among multiple Business Centres held by the Associate.

21. UNAUTHORISED RECRUITING; PARTICIPATION IN OTHER DIRECT SALES COMPANIES

During the term of the Agreement and for a period of twelve (12) months (or if held unenforceable by a court of law, for a period of six (6) months) after the expiration or termination of the Agreement by either party, for any reason, an Associate may not Promote products or Recruit any Associates or Customers to participate in any Direct Sales Company.

The term "Recruit" means the direct or indirect, actual or attempted, sponsorship, solicitation, enrolment, encouragement, or effort to influence in any other way. This includes any action that would cause the termination or curtailment of the business relationship between any Associate or Preferred Customer and USANA.

The term "Promote" means to directly or indirectly sell, offer to sell, or promote the products of another Direct Sales Company to any current Associate or Customer through any means, including, but not limited to, the use of any website, blog, or other social media site on which they discuss or promote, or have discussed or promoted, the Business Opportunity or Products.

Associates may participate in other Direct Sales businesses provided they remain compliant with these Terms & Policies and notify USANA within five (5) business days of enrolling in any other Direct Sales company. Associates who join another Direct Sales company may not:

- Have access to USANA's confidential information about any Customers including, but not limited to, Customer lists included in the Business Accelerator Suite;
- Qualify for recognition benefits, including incentive trips, speaking at events, etc.;
- Transfer their Business; and
- Participate in USANA's Leadership or Elite Bonus programs.

Associates are discouraged from promoting any non-competing Direct Sales company products or business to USANA Associates or Customers.

The Company has provided Associates with access to its Confidential Information, which is valuable and confidential to the Company, and specialised training and sales and marketing strategies. The Associate thereby agrees that this Section is fair and reasonable, necessary to protect the business of the Company and its affiliates, and that this Section does not preclude the Associate from earning a living. Each of the covenants and restraints in this Section are separate and independent, and severable from each other covenant and restraint. The invalidity of any covenant or restraint does not affect the validity of any other covenant and restraint; and the greater of length of time and larger geographical area of restriction or restraint shall apply to restrain the Associate.

22. COMPETING PRODUCTS AND NON-SOLICITATION

Associates shall not state or imply that enrolling in USANA is a requirement of joining any other business opportunity or for buying another

product or service. Associates also shall not state that non-USANA products or opportunities are recommended, encouraged, or essential to achieving success in USANA. Associates shall not specifically target or approach Associates or Preferred Customers to participate in any non-USANA endorsed training program.

23. CROSSLINE RAIDING

Crossline raiding is strictly prohibited. "Crossline Raiding" is defined as the enrolment or attempted enrolment of an individual or entity that is a current Preferred Customer or has an Associate 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.

- Associates may not demean, discredit, or invalidate other Associates in an attempt to entice another Associate to become part of the first Associate's Team.
- Associates must not promise more success in their own Team over another.
- If an Associate is approached by, or approaches a crossline Associate, he/she must direct and encourage the Associate back to his/her original Upline.
- Where a prospective Associate or Preferred Customer accompanies an Associate to a USANA meeting or function, no other USANA Associate may Recruit the prospect to Enrol in USANA or any other Direct Sales opportunity for a period of fourteen (14) days or unless and until the Associate who brought the prospect to the function advises the other Associate that the prospect has elected not to Enrol in USANA and that the Associate 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 Associates' Businesses and to USANA's business.

24. NON-DISPARAGEMENT

Associates must not disparage, ridicule, discredit, mock, demean, denounce, or act in an unfair manner toward USANA, other Associates, Products, the Compensation Plan, USANA's employees, other companies (including competitors), or other companies' products, services, or business activities. As used in this Section, "disparaging" means anything unflattering and/or negative, whether such communication is true or untrue. Nothing in this Section shall be construed to prohibit an Associate from filing a charge or complaint, including a challenge to the validity of the waiver provision of these Terms & Policies, with the FDA or other local enforcement agency, or participating in any investigation conducted by the FDA or other local enforcement agency, though Associates have waived any right to monetary relief,

or otherwise complying with Associates' obligations to provide truthful testimony or information as required by a court or by statute.

25. ONE BUSINESS PER ASSOCIATE

An Associate may operate, receive compensation from, or have an ownership interest, legal or equitable, as a member, sole proprietorship, shareholder, trustee, or beneficiary in only one Business. However, notwithstanding this rule, an Associate's spouse may also Enrol as an Associate and operate a second Business as long as the spouse's Business is placed below one of the Associate's Business Centres and not in a Crossline Organization (unless the Associate had operated their business for a reasonable period of time prior to their marriage to another Associate or inherited the Business prior to their marriage to another Associate). The spouse's Business must be a bona fide independent Business that is operated by the spouse.

26. BUSINESS TRANSFERS

An Associate (a "Transferor") may sell or transfer their Business to an individual, partnership, trust, or corporation (a "Transferee") after applying for and receiving approval from USANA, which approval shall be in USANA's sole and absolute discretion. The review and approval process will not begin until USANA has received all of the documentation required in the Business Transfer Request Form.

USANA will not approve the sale or transfer of a Business:

- That involves an Associate currently in violation of the Agreement or under investigation for same;
- To any individual or entity that is a current Associate or who has an ownership interest in any Business, or has had any ownership interest in, or operated, a Business;
- If either Party is currently participating in another Direct Sales company;
- If payment for purchase of the Business is financed by Transferor or Transferee is not paying market value; or
- If USANA determines that purchase by or transfer to Transferee would not be in the best interest of USANA or the Associates in the Upline or Downline of the Business.

Transferee accepts the Business "AS IS." No changes in line of Sponsorship may result from the transfer of a Business. All amounts due to Transferor from Transferee as part of the sale or transfer of a Business must be paid in full on or before the transfer date. Following the transfer of a Business, the Transferor may not have any financial interest in the Business, including, without limitation, receipt of any payments

from the Business or the Transferee after the transfer date. Transferor also may not receive any compensation from the Business for sales that occur after the transfer date. Furthermore, a Transferor may not participate in the management or control of a Business after the transfer date, including, without limitation, providing general business advice to Transferee.

As additional consideration for the approval of the transfer, if granted, and in addition to restrictions for terminated Associates set forth in USANA's Terms & Policies, the Transferor expressly agrees that for one year (or if held unenforceable by a court of law, for a period of six (6) months) following the execution of this Business Transfer Request by USANA, the Transferor will not work for or with, as an employee, independent contractor, or otherwise, any Competing Direct Sales Company. Transferor represents and agrees that this restriction on working for or with a Competing Direct Sales Company is reasonable in order to protect the business and proprietary interest of USANA and the Transferee. Transferor further agrees that this restriction is reasonable as to the one-year duration, and represents, acknowledges, and agrees that compliance expressly with this restriction will not be unduly burdensome. The Parties understand and agree that if the Transferor works for or with any Competing Direct Sales Company in breach of this Section, USANA may terminate the Transferee's Agreement and seek any other damages or other relief to which it may be entitled. USANA also reserves the right to terminate the Transferee's Agreement and seek damages or other relief to which it may be entitled if it learns that the Transferor has breached any Sections of the Associate Agreement, or that any representation or other information included with this Business Transfer Request is false or incomplete.

Before any Business is transferred to a third party, USANA shall have the right of first refusal to acquire the Business. USANA shall have the right to acquire the Business for the lesser of:

- The same terms as offered to, and accepted by, a third party who is ready, willing, and able to perform; or
- The fair market value of the business as ascertained by a professional business appraiser who is mutually agreed upon by USANA and the Associate. The cost of acquiring an appraisal shall be borne by USANA.

27. SEPARATION OF BUSINESS PARTNERS

Should a jointly held Business be dissolved or transferred to a subset of the original owners, the individual(s) or entities that relinquished ownership in the original Business may apply as new Associates only after six (6) months of no USANA business activity, which includes, but is not limited

to, training, promotion of Product or Business Opportunity, and Recruiting.

28. SPONSOR/PLACEMENT CHANGES

USANA will not permit any change in Placement and/or Sponsor except in the following circumstances:

- Where an Associate has been fraudulently or unethically induced into joining USANA;
- Where an incorrect Placement and/or Sponsor was made due to an Associate error, a change in Placement and/or Sponsor can be made to correct the error where a request for a change is made within ten (10) days of Enrolment;
- If an Associate's Business is inactive for six (6) consecutive months the Associate may terminate their existing Business and immediately reapply under another Sponsor. For purposes of this policy only, "inactive" means that no Product order is placed under any of the Associate's Business Centres.

If an Associate terminates his/her Business in writing, the Associate may rejoin under the Sponsor of his/her choice after completing a waiting period of six (6) consecutive months, during which time the former Associate may not engage in any USANA business activity (as defined in this Section) either for himself/herself or indirectly for another Associate.

29. CONFLICTING ENROLMENTS

Every prospective Associate has the ultimate right to choose his/her own Sponsor. As a general rule, the first Associate who does meaningful work with a prospective Associate is considered to have first claim to Sponsorship. In the event that a prospective Associate, or any Associate on behalf of a prospective Associate, submits more than one Associate Agreement to USANA listing a different Sponsor on each, the Company will consider valid the first Associate Agreement that it receives, accepts, and processes. If there is any question concerning the Sponsorship of an Associate, the final decision will be made by USANA.

30. ANTI-MANIPULATION

To help ensure compliance with laws applicable to Direct Sales companies, manipulating the Compensation Plan by an Associate or any Associate working with another third party is strictly prohibited.

Manipulation includes, but is not limited to:

- Fictitious Enrolments, including using false or incomplete contact information or identification, or information that cannot be verified using reasonable efforts;

- Enrolling individuals who were not aware of their Enrolment, who have little or no knowledge about their Business, or who have no intention of operating a Business;
- Enrolling individuals as Associates who wished to be Customers only;
- Excessive Product purchases, or gifting of Product, as determined by the Company in its discretion, solely for the purpose of qualifying for commissions, bonuses, or advancement in the Compensation Plan. An Associate may not purchase more Product than he/she can reasonably resell to end consumers or personally consume in any Four-Week Rolling Period, nor encourage others to do so;
- Abusive returns for refunds; and
- Participating in Downline purchasing (placing a sales order in a Business Centre other than where the sale was generated); and
- Failing to submit Associate Applications or Preferred Customer Applications within one business day.

Associates agree that the Company can adjust or recover any compensation awarded as a result of Compensation Plan manipulation, regardless of whether the recipient of the compensation was complicit in the manipulation. The Associate agrees to return any monies that the Company determines was awarded as a result of Compensation Plan manipulation or complete any necessary paperwork allowing the Company to withhold the monies from future payments to the Associate.

31. AUTHORISED SALES

Associates are only permitted to sell Products to Customers, as defined herein. Associates may not sell or transfer Products to any person or entity the Associate knows or has reason to know intends to resell the Products. Associates may not sell or transfer a quantity of the Products to any individual greater than what the individual can personally consume in a Four-Week Rolling Period.

32. ACTIONS OF THIRD PARTIES

If a third party acting on behalf of, or with the active or passive assistance or knowledge of, an Associate engages in conduct that would be a violation of these Terms & Policies, the conduct of the third party may be imputed to the Associate, and the Associate's Business may be terminated. "Knowledge" of misconduct is not limited to actual knowledge. If an Associate engages in acts or omissions that the Associate knows, OR SHOULD KNOW, will enable a third party to violate these Terms & Policies if such action was taken by the Associate, the Associate shall be deemed to have knowledge of the violation.

33. INTERNATIONAL BUSINESS

Associates may sell and promote Products, the USANA opportunity, and services or Recruit or Enrol any prospective Associate or Customer only in countries in which USANA is approved for business, as announced in official USANA communications. If an Associate desires to conduct business in an authorised country other than the one in which the Associate is enrolled and a resident, the Associate must comply with all applicable laws, regulations, and USANA policies specific to that country, including selling only those Products that are specifically designed, formulated, labeled, and approved for that particular market.

34. BABY CARE

Notwithstanding Section 33, only Chinese nationals registered with BabyCare as a BabyCare Associate may do business in Mainland China. Associates not registered with BabyCare may not do business activities in Mainland China, which include, but are not limited to, training, promotion, and recruiting in China. Associates may not send any USANA Products to China.

35. COMPLIANCE WITH THE LAW

Associates must obey all laws, regulations, and ordinances that apply to an Associate's Business.

36. PRODUCT CARE AND QUALITY CONTROL REQUIREMENTS

Associates may not relabel, alter, or tamper with the labels on any USANA Products, information, materials, packaging, or programs in any way. USANA Products must be sold in their original packaging only. Any such tampering will invalidate any products' liability insurance coverage from extending to the Associate and may subject the Associate to severe civil and criminal penalties. Promptly upon receipt of Products, Associates must inspect Products and their packaging for damage, defect, broken seals, evidence of tampering, or other nonconformance (a "Defect"). If any Defect is identified, do not offer the Product for sale and promptly report the Defect to USANA. Associates must also inspect inventory regularly for expired or soon-to-be expired Products and remove those Products from inventory. Associates may not sell any Products that are past their shelf life, expired, or within 90 days of expiration. Products must be stored in a cool, dry place, away from direct sunlight, and in an environment where the Products and the Products' packaging are not susceptible to physical damage. Associates must also cooperate with USANA with respect to any Product recall or other consumer safety information dissemination effort.

37. RETAIL SALES QUOTA

Associates must develop or service at least five (5) Customers every Four-Week Rolling Period to be qualified for commissions. These Customers can be either retail Customers, Preferred Customers, or any combination of the two. Associates are required to furnish retail Customers with a digital receipt or two (2) hardcopies of the official USANA Retail Sales Receipt. Associates must retain all retail sales receipts for a period of two (2) years and furnish them to USANA at the Company's request.

38. COMMISSIONS AND ADJUSTMENTS

Commissions and bonuses are paid on Product sales. Accordingly, USANA will adjust commissions and bonuses earned from any sale which is subsequently returned or charged back. USANA will deduct the Sales Volume attributable to the returned/charged back Product from the Upline Associate's Group Volume after a refund/chargeback is processed.

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

No monies should be paid to or accepted by Associates for a sale except at the time of Product delivery.

39. DELIVERY AND RISK OF LOSS

USANA may deliver Products to Associates by common carrier. If USANA ships Products by common carrier, Associates agree to pay for freight, handling, and other pertinent shipping charges to cover the cost of shipping the Products from USANA's warehouse to the Associate's shipping address. Delivery of 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 Associates at that time.

40. RETURN POLICY

Satisfaction Guarantee: USANA offers an unconditional money-back satisfaction guarantee on all Products or Sales Tools, including the Welcome Kit. If for any reason a buyer is not satisfied with any Product or Sales Tools, the buyer may return the Sales Tools or any unused Product within thirty (30) days from the date of purchase for an exchange or a 100% refund, less shipping.

Associates must honour this money-back guarantee to their personal retail Customers. If, for any reason within the Satisfaction Guarantee period, an Associate's retail Customer is dissatisfied with

any USANA Product purchased from the Associate, such retail Customer may return the Product to the Associate from whom the Product was purchased. If the retail Customer requests a refund within the Satisfaction Guarantee period, the Associate who sold the Product to the retail Customer must immediately refund the retail Customer's purchase price (less shipping charges). Retail Customers must return Product to the Associate who sold it to them; USANA will not accept returned Product directly from retail Customers. The Associate should then contact Customer Service to request a refund/replacement.

The Satisfaction Guarantee does not apply to Products and Sales Tools purchased from individuals who are not Associates or to Products purchased through unauthorised channels, including, but not limited to, Amazon or eBay.

Product and Sales Tool Returns: Buyers may return any Product or Sales Tool for up to one year after the date of purchase for a 100% refund (less shipping charges) if the Product is in re-sellable condition. Product is in re-sellable condition if it is unopened, unused, and packaging and labeling have not been altered or damaged. Product that is clearly identified at the time of sale as nonreturnable, closeout, discontinued, or as a seasonal item, or which is within three (3) months of its listed "use by" date, is not in re-sellable condition.

Sales Tools, including the Welcome Kit, may be returned to the Company for a 100% refund if they are in currently marketable condition. To be in currently marketable condition, the Sales Tool(s) must:

- Be unopened and unused;
- Not be damaged or altered; and
- Be in a condition such that it is reasonable to re-sell them at regular price.

All Associate returns must be initiated by the owner of the account under which the Product was purchased.

These satisfaction guarantees apply in addition to, and do not exclude, rights and remedies available under applicable consumer laws in the jurisdiction in which Products are supplied.

41. RESCISSION RETURNS

Customers, Preferred Customers, and newly Enroled Associates have three (3) business days within which to cancel their initial purchase and obtain a full refund. An explanation of these rights is explained on the Sales Receipt.

42. ABUSIVE RETURNS

If USANA determines that an Associate is abusing the satisfaction guarantee, the Associate will

be refunded according to Section 40, and the Associate's Business may be terminated.

43. TERM AND RENEWAL OF A USANA BUSINESS

The term of an Associate Agreement is one year (subject to prior termination pursuant to these Terms & Policies). USANA charges Associates an annual business renewal fee plus any applicable taxes. USANA will automatically charge the fee to the Associate's credit card or bank account on file with USANA on the anniversary date of the Associate's application. USANA reserves the right to terminate all Associate Agreements upon thirty (30) days' notice if the Company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its Products and/or services via direct selling channels.

44. INVESTIGATION AND NOTICE OF POLICY VIOLATIONS

If USANA believes, or has reason to believe, that an Associate has violated, or is violating, any term of the Agreement, the Ethics & Education Department will conduct an investigation into the alleged conduct. USANA reserves the right to withhold bonuses, commissions, or other compensation during the pendency of an investigation. The investigation findings will be submitted to the Ethics Committee for a decision. If upon review of the investigation the Ethics Committee deems it appropriate to take action, including, but not limited to, termination of the Associate's Agreement, the Ethics & Education Department will notify the Associate of its conclusion(s). Any written notices may be issued in any commercially reasonable means including, but not limited to, email sent to the Associate's email address on file with the Company.

45. COMPLIANCE

Breach of the Agreement, any illegal, fraudulent, deceptive, or unethical business conduct, or any act or omission by an Associate that the Company reasonably believes may damage its reputation or goodwill, may result in termination, suspension, and/or any other appropriate action to address the misconduct.

46. APPEAL PROCESS

An Associate or former Associate may appeal a decision from the Ethics Committee to the USANA Ethics Appeal Committee. The Associate's appeal must be in writing and must be received by the Ethics & Education Department. If the Associate files an appeal, it will be reviewed by the Ethics & Education Department and submitted to the Ethics Appeals Committee. The Ethics Appeals Committee will review the decision by the Ethics Committee and notify the Associate of its decision.

This decision of the Ethics Appeals Committee will be final. Prior to bringing any dispute resolution proceeding, Associates must fully exhaust the USANA appeals process.

47. EFFECT OF TERMINATION

Following the effective date of an Associate's termination of their Business for any reason, the former Associate will have no right, title, claim, or interest to their former Business, to the Team which the former Associate operated, or any bonus and/or commission from the sales generated by their former Team. Following Associate's termination for any reason, the former Associate will not represent him/herself as a USANA Associate, will 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. An Associate who voluntarily terminates their Business will receive commissions and bonuses only for the last full calendar week prior to their termination.

An Associate whose Agreement is involuntarily terminated by USANA will receive commissions and bonuses only for the last full calendar week prior to termination. However, if monies were held in the course of an investigation, the Associate is not entitled to receive those monies regardless of whether the termination was voluntary or involuntary. The Associate has no other right to receive commissions or bonuses following termination.

48. PROTECTION OF CONFIDENTIAL INFORMATION

USANA's Confidential Information includes, but is not limited to, lists of Associates and/or Customers maintained by USANA and all trade secret information that may come into the possession of an Associate or the data included in Genealogy Reports. An Associate may not use USANA's Confidential Information for any purpose other than for developing their Business. To protect USANA's brand integrity and intellectual property, an Associate will not, on the Associate's own behalf or on behalf of any third party:

- Disclose any Confidential Information to any third party; or
- Use the reports, or the information contained in the reports, for any purpose other than to build or operate the Associate's Business.

This provision will survive the termination or expiration of the Associate Agreement.

49. INDEMNIFICATION

The Associate agrees to indemnify and hold USANA harmless with respect to any claims, damages,

losses, fines, penalties, judgments, settlements, or other expenses, including, but not limited to, USANA's own reasonable attorneys' fees, arising from any breach by the Associate of the Agreement or these Terms & Policies, misuse of Products, or violation of law. The provisions of this Section survive the termination of the Associate Agreement.

50. AMENDMENTS

USANA may, in its discretion, which shall be exercised reasonably and in good faith, from time to time amend the Agreement, including, without limitation, these Terms & Policies. Amendments will be effective thirty (30) days after notice of the amendment is posted on The Hub. An email communication will also be sent to the Associate's email address on file. Except as otherwise provided in the Dispute Resolution Agreement contained in Section 63, Associates agree that thirty (30) days after such notice, any modification becomes effective and is automatically incorporated into the Agreement as an effective and binding provision. An Associate may opt out of any proposed amendments by terminating his/her Agreement prior to the effective date of such proposed amendments. An Associate's continued participation in the Business Opportunity on or after the effective date of any amendment constitutes acceptance to be bound by the amended Agreement. Unless expressly agreed to by the Associate, amendments shall not be retroactive to conduct that occurred prior to the effective date of the amendment.

51. ASSUMPTION OF RISK

An Associate 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.

52. CHANGE OF SPONSORSHIP WAIVER

If an Associate improperly changes their Sponsor, USANA reserves the sole and exclusive right to determine the final disposition of the Team that was developed by the Associate in his/her second line of Sponsorship. **Associates waive any and all claims against USANA and its Related Parties that relate to or arise from USANA's decision regarding the disposition of any Team that develops below an Associate who has improperly changed their Sponsor.**

53. INTEGRATED AGREEMENT

The Agreement is the final expression of the understanding and agreement between Associates and the Company (collectively, the "Parties") concerning all matters touched upon in the Agreement and supersedes all prior and contemporaneous agreements of understanding (both oral and written) between the Parties. The Agreement invalidates all prior notes, memoranda, demonstrations, discussions, and descriptions relating to the subject matter of the Agreement. The Agreement may not be altered or amended except as provided in this Agreement. The existence of the Agreement may not be contradicted by evidence of any alleged prior contemporaneous oral or written agreement. Should any discrepancy exist between the terms of the Agreement and verbal representations made to an Associate by any Company employee or another Associate, the express written terms and requirements of the Agreement will prevail.

54. FORCE MAJEURE

Neither USANA nor the Associate will be responsible for delays and failures in performing its obligations due to circumstances beyond its reasonable control.

55. SEVERANCE

If any provision of the Agreement as it currently exists or as may be amended is found to be invalid, illegal, or unenforceable for any reason, such provision shall be reformed only to the extent necessary to make it enforceable, and if it cannot be so reformed, only the invalid provision will be severed from the Agreement; the remaining terms and provisions will remain in full force and effect and will be construed as if such invalid, illegal, or unenforceable provision never comprised a part of the Agreement.

56. SURVIVAL

The provisions of this Agreement set forth in Sections 20, 32, 33, 47, 49, 63, and any remedies for the breach thereof, shall survive the termination or expiration of the Agreement.

57. WAIVER

No failure on the part of USANA to exercise, and no delay in exercising, any right or remedy under the Agreement will operate as a waiver therefore; nor will any single or partial waiver of a breach of any provision of the Agreement operate or be construed as a waiver of any subsequent breach; nor will any single or partial exercise of any right or remedy of the Agreement preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by law. Only in rare circumstances will a policy be waived, and

such waiver must be in writing and signed by an authorised officer of USANA. The waiver will apply only to that specific case.

58. NO RELIANCE

Associates should seek their own professional advice (legal, financial, tax, etc.) pertaining to their Business; USANA does not provide professional advice to Associates.

59. HEADINGS

The headings to these Terms & Policies are for reference purposes only and shall not be given substantive effect.

60. TRANSLATIONS

In the event that any discrepancies exist between the English version of the Terms & Policies and Agreement and any translation thereof, the English version will be controlling.

61. CAPITALISED TERMS

All capitalised terms used herein and not otherwise defined in these Terms & Policies will have the meanings set forth in the Compensation Plan.

62. PERSONAL DATA AND RIGHT OF PRIVACY

ASSOCIATE PERSONAL DATA

USANA Health Sciences, Inc., a Utah corporation, and USANA (collectively “UHS”) are the data controllers and responsible for Associate personal data.

HOW IS ASSOCIATES’ PERSONAL DATA COLLECTED?

UHS will collect certain of the Associate’s personal data (which is information relating to the Associate and from which the Associate can be directly or indirectly identified) through approved UHS channels including via UHS online platforms, electronic communications, and official UHS materials provided to the Associate.

WHAT PERSONAL DATA DOES UHS COLLECT?

UHS may collect different kinds of personal data grouped as follows:

- Identity Data includes first name, middle names, maiden name, last name, username or similar identifier, marital status, title, date of birth, place of birth, country of citizenship, first language, age, income, and gender.
- Contact Data includes billing address, delivery address, email address, and telephone numbers.
- Financial Data includes bank account and payment card details.
- Transaction Data includes details about payments

to and from Associates and other details of products and services Associates have purchased from UHS.

- Technical Data includes internet protocol (IP) address, Associate login data, browser type and version, time zone setting and location, browser plug-in types and versions, operating system and platform, and other technology on the devices Associates use to access UHS websites and other online services.
- Profile Data includes Associate username and password, Associate interests, preferences, feedback, and survey responses.
- Usage Data includes information about how Associates use UHS’s website, products, and services.
- Marketing and Communications Data includes Associate preferences in receiving marketing from UHS and third parties and Associate communication preferences.

HOW DOES UHS USE ASSOCIATE PERSONAL DATA?

UHS may process the Associate’s personal data for purposes necessary for the performance of its contracts with the Associate, including this Agreement, any contracts ancillary to this Agreement, and any contracts for the supply of Products or services, and to comply with its legal obligations. This includes processing the Associate’s details for the purposes of orders and general administration including eligibility and payments under the Compensation Plan.

UHS may process Associate personal data for the purposes of its own legitimate interests provided that those interests do not override the Associate’s privacy rights. This includes processing for marketing, business creation and development, statistical and management purposes—including analysis and tracking of transactions—and the creation of marketing profiles to enable UHS to serve the Associate better.

UHS may process the Associate’s personal data for certain additional purposes with the consent of the Associate.

UHS may process personal data on more than one lawful ground depending on the specific purpose for which UHS is using the data.

PURPOSES FOR WHICH UHS USES ASSOCIATE PERSONAL DATA

Where lawfully permitted, UHS may use Associate personal data for the following purposes:

- Processing the Associate Application;
- Processing, fulfilling, and notifying Associate of the status of Associate Product orders;

- Developing Downline genealogy reports or other related business reports;
- Providing Associate services such as planning and facilitating meetings and training;
- Administering Associate benefits;
- Developing and implementing policies, marketing plans, and strategies;
- Publishing personal information in UHS newsletters, promotional materials, and company and intra-group communications;
- Providing references;
- Complying with applicable laws and regulatory requirements and assisting with any governmental or police investigation; and
- Other purposes directly relating to any of the above.

UHS uses Associate Financial Data for billing and fraud prevention purposes.

SHARING ASSOCIATE PERSONAL DATA

UHS may, for the stated purposes for which it uses Associate personal data, where lawfully permitted, share Associate personal data with the following third parties:

- Those UHS personnel and its affiliated companies who need to access Associate personal information in carrying out their responsibilities;
- Any agent, contractor, supplier, vendor, or third party who provides shipping, payment processing, web tools, fraud prevention, administrative, marketing, promotional, printing, or other services to UHS or its affiliated companies, including distribution centres, auditors, medical practitioners, trustees, insurance companies, and actuaries;
- Sponsors and Upline business leaders who may need access to Downline Associates' personal information in order to monitor sales activity and business development in their personal sales groups;
- Any government agency or other appropriate governmental, police, or regulatory authority in order to meet legal security and regulatory requirements;
- Any professional advisers including lawyers, bankers, auditors, and insurers who provide consultancy, banking, legal, insurance, and accounting services to UHS; and
- Any consultant/agent appointed by UHS or its affiliated companies to plan, provide and/or administer Associates' benefits.

UHS may disclose any information including personal

data to third parties as a result of or in preparation for the possible sale, merger, consolidation, change in control, transfer of substantial assets, reorganisation, or liquidation of UHS. If this occurs, UHS will take appropriate measures to ensure the continued security of personal data in accordance with this Privacy Policy and the Data Protection Legislation. If a change happens to the UHS business, then the new owners may use Associate personal data in the same way as set out in this Privacy Policy.

INTERNATIONAL TRANSFERS

Associate Personal Information may be stored and processed in any country where UHS has operations. USANA Health Sciences, Inc. is based in the USA and the Associate's personal data will be transferred to and processed in the USA.

DATA SECURITY

UHS has put in place security measures appropriate to the risk of personal data being accidentally lost, used or accessed in an unauthorised way, altered, or disclosed. UHS limits access to Associate personal data to those parties who have a business need. They will only process Associate personal data on UHS instructions, and they are subject to a duty of confidentiality. UHS has also put in place procedures to deal with any suspected personal data breach and will notify the Associate and any applicable regulator of a breach where UHS is legally required to do so.

DATA RETENTION

UHS will only retain the Associate's personal data for as long as is necessary to fulfil the purposes for which it is collected which retention period is determined by the nature and duration of the Associate's relationship with UHS.

To determine the appropriate retention period for personal data, UHS considers the amount, nature, and sensitivity of the personal data, the potential risk of harm from unauthorised use or disclosure of Associate personal data, the purposes for which UHS processes Associate personal data, and whether UHS can achieve those purposes through other means, and the applicable legal requirements.

In some circumstances UHS may anonymise or pseudonymise the personal data so that it can no longer be associated with the Associate, in which case UHS may use such information without further notice to the Associate.

ASSOCIATE LEGAL RIGHTS

Depending upon the Associate's country of residence, Associate may have certain legal rights with respect to Associate personal data.

If the Associate wishes to receive any further information or to exercise any rights including the right to object to the processing of their personal data or to withdraw consent to the processing of

their personal data, please click here or contact USANA at dataprivacy@usanainc.com.

PERSONAL DATA OF CUSTOMERS AND OTHER ASSOCIATES

The Associate agrees that where, in the course of conducting a USANA distributorship, the Associate collects and/or processes the personal data of customers or other third parties including any other Associates (“Third Party Personal Data”) then the Associate will process such personal data as a data processor on behalf of USANA as the data controller and will do so only for the purposes and only by the means set out in, and otherwise only in accordance with, these Terms & Policies (which constitute the written instructions of UHS as the data controller) unless the Associate is required to process any Third Party Personal Data under applicable data protection laws.

The Associate may only process Third Party Personal Data which has been collected through approved USANA channels or materials (such as Customer forms) provided to the Associate. The Associate may only process Third Party Personal Data for the purposes of the development and conduct of the Associate’s USANA distributorship including performing any contract with the relevant third party, in accordance with the privacy notices provided to those third parties in the form contained in official USANA materials.

The Associate will ensure that it has in place appropriate security measures, reviewed and approved by USANA, to protect against the risk of unauthorised or unlawful processing of Third Party Personal Data and against the accidental loss or destruction of or damage to that personal data. The Associate will notify USANA as soon as possible and in any event within twenty-four (24) hours of becoming aware of any data breach involving Third Party Personal Data and will assist USANA in responding to any data breach, any request from a data subject including any exercise of a data subject’s rights, and in demonstrating compliance with applicable data protection laws. The Associate will maintain records of its processing activities in the form provided by USANA.

The Associate may not transfer any Third Party Personal Data outside of the Associate’s country of residence otherwise than by uploading for storage on USANA’s own secure servers. The Associate may not appoint any third party processor to process any Third Party Personal Data.

In addition to the provisions of this Privacy Policy Section of the Terms & Policies, the scope, nature, purpose, and duration of the processing of any Third Party Personal Data and the types of personal data processed shall all be as set out in USANA’s privacy policy published on its website, the terms of which

shall form part of USANA’s written instructions to the Associate as a data processor. If an inconsistency arises between the provisions of this Privacy Policy Section of the Terms & Policies and USANA’s privacy policy published on its website, these provisions will prevail to the extent of such inconsistency.

On termination of the Associate Agreement the Associate will, at USANA’s written direction, delete any Third Party Personal Data unless required to retain it under applicable data protection laws.

63. DISPUTE RESOLUTION AGREEMENT

MEDIATION OPTION: Prior to commencing any arbitration, both parties may consent to attend a mediation in a good faith attempt to resolve any dispute, controversy, or claim arising out of, relating to, or in connection with this Agreement. The agreement to attend mediation, the issues to be referred to mediation, and the mediation process require the consent of all parties.

ARBITRATION: If all parties do not consent to mediation or the mediation is unsuccessful, any dispute, controversy, or claim arising out of, relating to, or in connection with this Agreement, including any question regarding its existence, validity, or termination, shall then be resolved by mandatory arbitration in accordance with the ACICA Arbitration Rules (as amended from time to time). The ACICA Arbitration Rules are located at: https://acica.org.au/wp-content/uploads/2016/02/ACICA_Rules_2016_Booklet.pdf.

The **governing law** of the Agreement is the laws of Australia and the procedural laws to be applied to any arbitration are the laws of Australia. To the extent that the issue involves applicable of State not Federal law, the governing and procedural law shall be the law of the State of New South Wales. The **seat** of arbitration shall be Sydney in the State of New South Wales in Australia. The **language** of the arbitration shall be English.

This provision covers disputes and claims involving USANA affiliates and all of their respective shareholders, officers, directors, employees, Associates, contractors, representatives, and agents, its Compensation Plan, its Products, the rights and obligations of its Associates and USANA, any applicable law relating to Product purchase(s) or performance, either of an Associate or of USANA under the Associate Agreement, or any other dispute, claim, or cause of action.

In agreeing to arbitrate all claims hereunder, Associates hereby recognise and agree to waive the right to a trial in court and/or by a jury. Any arbitration shall take place on an individual basis; class or representative actions shall not be permitted.

The arbitration shall be conducted on a strictly confidential basis in accordance with the ACICA

and parties may only disclose the existence or nature of any claim, defence, or argument; any documents, correspondence, pleadings, evidence, exhibits, submissions or information exchanged or presented in connection with any claim, defence, or argument; or any rulings, decisions, or results of any claim, defence, or argument (collectively, “Arbitration Materials”) to any third party, with the sole exception of legal representatives for the parties or as otherwise required by law.

For claims of USD \$1,000,000 or less, there shall be one neutral arbitrator appointed in accordance with the ACICA Rules. For claims greater than USD \$1,000,000, there shall be a panel of three neutral arbitrators, appointed in accordance with the ACICA Rules.

The **costs** of the arbitration shall be determined by the Arbitrator(s) in accordance with the ACICA Rules. This agreement to arbitrate shall survive any termination or expiration of the Associate Agreement. The decision of the arbitrator shall be final and **binding** upon the parties and may be enforced in any court of competent jurisdiction.

Nothing in this Agreement shall prevent the parties from applying to and obtaining from a state court in New South Wales or a federal court of Australia, any temporary restraining order, preliminary injunction, permanent injunction, or other available relief to safeguard and protect the position prior to, during, or following the filing of any arbitration or other proceeding, or pending the rendering of a decision or award in connection with any arbitration or other proceeding.

The existence of any Associate claim or cause of action against USANA does not preclude USANA from enforcing the Associate’s covenants and agreements contained in the Associate Agreement.

Associates who do not want to be subject to this Arbitration Provision may **opt out** by notifying the Company in writing of their desire to opt out of this Arbitration Provision within thirty (30) days of the Associate’s execution of the Associate Agreement. Acceptable forms of notice include sending an email to ArbitrationOptOut@usanainc.com or by sending a letter dated and signed by the Associate to the following address:

USANA Health Sciences, Inc.
3838 West Parkway Boulevard
Salt Lake City, Utah 84120
Attn: General Counsel

Either email or letter must clearly state the Associate’s name and the intent to opt out of this Arbitration Provision. Associates will not be subject to retaliation in exercising their rights to assert claims or opt out of the Arbitration Provision.

64. DEFINITIONS

Agreement: The legally binding contract between the Company and the Associate consisting of the Agreement, the Terms & Policies, and the Compensation Plan.

Advertising Checklist: The checklist an Associate must complete when creating independent advertising material, which can be found on The Hub.

Application (or “Associate Application”): The form completed and signed by a person who wishes to enter into an Associate Agreement with the Company.

Associate (or USANA Associate): An independent contractor authorised by the Company under the Agreement to purchase and retail Products to Customers, Recruit other Associates, and participate in the Company’s Compensation Plan. An Associate’s relationship to the Company is governed by the Agreement.

Auto Order Price: Ten (10) per cent less than the Preferred Price.

Business: The account created when either an individual or a business entity enters into a contractual relationship with the Company.

Business Centre: The centre of an Associate’s business-building activity, through which Product is purchased and Sales Volume is accumulated.

Business Opportunity (or USANA Business Opportunity): Activities determined by the Company to be a promotion of the Company’s Products or Compensation Plan.

Compensation Plan: The specific plan utilised by the Company that outlines the details and requirements of the compensation structure for Associates.

Competing Direct Sales Company: A Direct Sales company that sells nutritional supplements, food and energy products, skincare products, or any other health and wellness products similar to or competing with the Products.

Confidential Information: Information pertaining to USANA’s business that may be provided or made available to Associates, whether in writing, electronically, orally, or in any other form, that is confidential, proprietary, and/or not generally available to the public, including, but not limited to, USANA’s trade secrets, intellectual property, identity and contact information of Associates and Customers, and data included in Genealogy Reports or other nonpublic reports.

Crossline Organisation: Associates who are not directly above or below you in your Placement line of Sponsorship.

Customer: A person who purchases Product for the purpose of personal use and who does not intend to resell Product to any third party.

Direct Sales: Direct selling, network marketing, or multi-level marketing ventures.

Direct Sales Company: A company that sells products or services directly to consumers

through an independent sales force, in a non-retail environment.

Downline: All Associates located beneath a particular Associate in a line of sponsorship.

Enrolment (Enrol): The act of contracting with the Company to operate an independent Business.

Four-Week Rolling Period: A rolling block of four consecutive pay periods (four Fridays).

Genealogy Report: A report generated by the Company that provides proprietary data relating to the identities and sales information of an Associate's Team.

Group Volume: The commissionable volume from Product sales generated by an Associate's Team.

The Hub: USANA's back office software.

Official USANA Material: Advertising and informational material the Company provides regarding Products and the Business Opportunity.

Placement: The positioning of an Associate in their Sponsor's Downline.

Preferred Customer: An individual who purchases Products for personal consumption directly from USANA at a discounted price. Preferred Customers are not authorised to resell Products and do not participate in the Compensation Plan.

Products: The products Associates are authorised to market and sell under the Agreement.

Related Parties: Any of USANA's officers, directors, owners, employees, agents, or affiliated entities. Related Parties are intended third-party beneficiaries of the Agreement for purposes of the Agreement referring specifically to them, including, but not limited to, the Dispute Resolution Agreement in Section 63.

Sales Tools: Company-created material, of any kind, for the purpose of Product sales, recruitment, or training of Associates.

Sales Volume: The points generated from Product sales by an Associate.

Sponsor: A new Associate's direct Upline.

Team: An Associate's Team consists of all Preferred Customers and Associates below him/her in the sales organisation.

Terms & Policies: The policies governing how an Associate is to conduct business and define the rights and relationships of the parties.

Upline: The direct line of Sponsorship above an Associate.

USANA or Company: USANA Australia Pty Ltd.

Welcome Kit: A selection of Company training materials and business support literature that each new Associate purchases. The Welcome Kit is sold to Associates at cost, is non-commissionable, and is the only required purchase to become an Associate.

[illegible]



USANA Australia Pty Ltd.
3 Hudson Avenue, Castle Hill NSW 2154, Australia

Effective Date: 24 August 2021

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