



JAPAN
TERMS & POLICIES

Effective Date: 2022 January 31



© Copyright 2021 USANA Health Sciences, Inc.
USANA Distributors are hereby granted permission
to reproduce any article that appears in this piece
for personal use, provided the article is reprinted in its entirety
and the reprint bears the following notice: "Reprinted with
the permission of USANA Health Sciences, Inc.,
Salt Lake City, UT 84120 U.S.A."

TERMS & POLICIES

1. Applying to Become A Distributor.....	1	32. International Business	7
2. Minimum Age	1	33. BabyCare	7
3. [RESERVED].....	1	34. Compliance with the Law.....	7
4. Temporary Enrolment	1	35. Product Care and Quality Control Requirements	8
5. Distributor Rights and Privileges	1	36. Retail Sales Quota.....	8
6. Independent Contractor Status.....	1	37. Commissions and Adjustments	8
7. Termination by Distributor.....	1	38. Sales Tax	8
8. Adherence to Compensation Plan.....	2	39. Delivery and Risk of Loss	8
9. Distributor-Created Material	2	40. Return Policy	8
10. Product Claims	2	41. Abusive Returns.....	10
11. Income and Lifestyle Representations	2	42. Term and Renewal of a USANA Business.....	10
12. Social Media.....	3	43. Investigation and Notice of Policy Violations	10
13. Sales Price	3	44. Compliance	10
14. Email/SNS Solicitation	3	45. Appeal Process	10
15. Media Inquiries	3	46. Effect of Termination	10
16. Intellectual Property	3	47. Protection of Confidential Information.....	10
17. Use of Distributor Name, Likeness, and Image.....	4	48. Indemnification	11
18. Service Outlets	4	49. Amendments.....	11
19. Online Sales	4	50. Assumption of Risk.....	11
20. Unauthorised Recruiting; Participation in Other Direct Sales Companies.....	4	51. Change of Sponsorship Waiver	11
21. Competing Products and Non-solicitation.....	5	52. Integrated Agreement.....	11
22. Crossline Raiding	5	53. Force Majeure	11
23. Non-disparagement	5	54. Severance	11
24. One Business Per Distributor	5	55. Survival	12
25. Transfer of the Agreement	5	56. Waiver	12
26. Separation of Business Partners	6	57. No Reliance.....	12
27. Sponsor/Placement Changes.....	6	58. Headings	12
28. Conflicting Enrolments	7	59. Translations.....	12
29. Anti-Manipulation.....	7	60. Capitalised Terms.....	12
30. Authorised Sales.....	7	61. Personal Data and Right of Privacy	12
31. Actions of Third Parties	7	62. Dispute Resolution Agreement.....	14
		63. Definitions	15

1. APPLYING TO BECOME A DISTRIBUTOR

You may apply to become a Distributor by completing the following steps:

- Complete, sign, and return an online or hardcopy Distributor Registration Application and Consent form to the Company;
- Provide valid personal information and contact information; and
- Purchase a Starter Kit.

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

2. MINIMUM AGE

Persons under the age of majority in the person's country of residence may not be Distributors, and no Distributor 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 Distributor must agree to the terms of the Agreement. If a Distributor has not agreed to the terms of the Agreement by the end of the thirty (30)-day temporary enrolment period, the Distributor's account will be placed on hold and may be terminated.

5. DISTRIBUTOR RIGHTS AND PRIVILEGES

The Agreement grants Distributors the following rights and privileges:

- Purchase USANA Products at the discounted Distributor price;
- Participate in the USANA Compensation Plan (and receive bonuses and commissions, to the extent eligible);
- Sponsor other individuals as Preferred Customers or Distributors into the USANA business and thereby build a Team;
- Sell USANA Products and keep the difference between the price the Distributor paid the Company for the Products and the price at which the Distributor 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.

A Distributor'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

Distributors are independent contractors. The Agreement and these Terms & Policies do not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Distributor, and Distributors shall not represent themselves to be employees, agents, or representatives of the Company or purchasers of a franchise. Distributors are responsible for paying any income or other taxes they may owe, and for their own business expenses. Distributors are not entitled to benefits that USANA may make available to its employees. Distributors may engage helpers or assistants without seeking approval from the Company, but any Distributor 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 Distributor who hired such person. Distributors will not be treated as employees for tax purposes or for any other reason.

Distributors shall establish their own goals, hours, place of business and methods of sale, so long as they comply with the Agreement. Distributors are solely responsible for all decisions made and all costs incurred with respect to their activities under the Agreement. All Distributors assume every entrepreneurial and business risk in connection with the Agreement. Distributors 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 DISTRIBUTOR

A Distributor may voluntarily terminate his/her Agreement in the following ways:

- **Written Notice.** A Distributor may terminate his/her Agreement at any time for any reason. Termination must be submitted in writing to the Company by email at customerserviceJP@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, Distributors 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

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

- Require or encourage other current or prospective Customers and/or Distributors to participate in USANA in any manner that varies from the Compensation Plan;
- Require or encourage other current or prospective Customers and/or Distributors to execute any agreement or contract other than official USANA agreements and contracts in order to become an Distributor or Preferred Customer;
- Require or encourage other current or prospective Customers or Distributors 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 Distributors; or
- Create their own enrolment or application form. Online Distributor Enrolments may only occur through USANA's corporate website or a Distributor's USANA personal webpage. All other Distributor-created websites must link to the Distributor's USANA Personal Webpage for enrolment.

9. DISTRIBUTOR-CREATED MATERIAL

Distributors 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 the material is created by an Independent Distributor by visibly adding USANA's Independent Distributor logo to the material, which is available for download from The Hub. Distributors 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 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 Distributors for a profit; and
- Is only promoted within the Distributor's own Upline and Team.

To ensure full compliance with USANA's advertising policy, Distributors 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 checklist authorises Distributor to produce advertising material. Violations will result in appropriate action including suspension or termination of the Agreement. Should a Distributor 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

Distributors 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. Prohibited claims by Distributors shall render USANA's Products' liability insurance unavailable to the Distributor.

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

11. INCOME AND LIFESTYLE REPRESENTATIONS

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

Deceptive Income Claims include 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 Distributors may earn residual or unlimited income or otherwise replace their income;
- Claims that Distributors 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 Distributors.

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

- Unless the claim is typical, the Distributor must include the appropriate Income Disclaimer. Current Income Disclaimers are available on The Hub.
- Distributors 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
- Distributors may not alter or verbally embellish the Income Disclaimers in any way, including, but not limited to, adding any text.

Distributors may not make deceptive “lifestyle” Income Claims (“Lifestyle Claims”). A Lifestyle Claim is a statement or depiction that implies or states that a Distributor 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 Distributors.

Additionally, Distributors shall not mention or refer to USANA in connection with any 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, Distributors must make it clear to prospects that financial success in USANA requires commitment, effort, financial investment, and sales skill. A Distributor must never represent that one can be successful without diligently applying themselves or that earnings are guaranteed.

12. SOCIAL MEDIA

Distributors 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.

13. SALES PRICE

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

14. EMAIL/SNS SOLICITATION

To comply with the law and to avoid harm to USANA’s brand integrity, Distributors are prohibited from sending unsolicited emails or using Social Networking Sites such as Facebook, Instagram, etc. (collectively “SNS”) to promote USANA, its Products, and Business Opportunity to individuals who have not specifically requested such information under the Specified Commercial Transaction Act and Specified Electronic Advertisement Act. Distributors shall keep the record of all individuals who request such information. Requests for emails/SNS to cease by email/SNS recipients must be honoured immediately.

15. MEDIA INQUIRIES

Distributors 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 a Distributor receives an inquiry from any member of the media or a widespread media outlet (i.e., national, worldwide news outlet) at a USANA event, he/she should refer the inquiry to ethics@usanainc.com.

16. 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, Distributors 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. Distributors may not use any Intellectual Property for any other purpose. Each Distributor’s limited license to use Intellectual Property concludes immediately upon termination (for any reason, whether termination is voluntary or involuntary) of the Distributor’s Business. Upon termination of the limited license, the former Distributor 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, Distributors 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 or username unless the use clearly indicates that the Distributor is independent;
- Record or reproduce audio or visual materials from any USANA corporate function or presentation by any USANA representative, employee, or other Distributors;
- 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 are allowed to use "USANA" in their social media username or profile name if the Distributor:

- Includes their name or business name as it is on file with USANA, and;
- Clearly identifies themselves as an Independent Distributor 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.

17. USE OF DISTRIBUTOR NAME, LIKENESS, AND IMAGE

Distributors grant USANA a perpetual and irrevocable license to use the Distributor's name, testimonial, picture, photograph, image, video, and/or audio recording, as well as any other likeness of the Distributor in USANA's promotional material. DISTRIBUTORS WAIVE ALL RIGHTS OF PUBLICITY AND FURTHER WAIVE ALL RIGHTS TO COMPENSATION FOR USANA'S USE OF SUCH MATERIAL.

18. SERVICE OUTLETS

To protect USANA's brand integrity, Distributors 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. Distributors are not allowed to market or sell Products in any other type of retail outlet (i.e. 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.

19. ONLINE SALES

Distributors may sell Products via online sources such as a social media site or website under control of the Distributor. To protect USANA's brand integrity and other Distributors' 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, Facebook Marketplace, eBay, Craigslist, Rakuten, Mercari, and Taobao. Promotion of Products through any approved online medium must comply with all promotion and marketing policies in these Terms & Policies. If an Distributor 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 Distributor whose social media site generated the sale; the Sales Volume may not be assigned to a Business Centre of any other Distributor nor may Sales Volume from a single order be spread among multiple Business Centres held by the Distributor.

20. UNAUTHORISED RECRUITING; PARTICIPATION IN OTHER DIRECT SALES COMPANIES

During the term of the Agreement, and for a period of twelve (12) months after the expiration or termination of the Agreement by either party, for any reason, an Distributor may not Promote products or Recruit any Distributors or Customers to participate in any way in any Competing 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 Distributor or Preferred Customer and USANA. The term "Promote" means to directly or indirectly sell, offer to sell, or promote the products of the Competing Direct Sales Company to any current Distributor 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.

Distributors 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 Direct Sales Company. Distributors 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.

The Company has provided Distributors with access to its Confidential Information, which is valuable and confidential to the Company, and specialised training and sales and marketing strategies. The Distributor 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 Distributor from earning a living.

21. COMPETING PRODUCTS AND NON-SOLICITATION

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

22. 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 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.

- Distributors may not demean, discredit, or invalidate other Distributors in an attempt to entice another Distributor to become part of the first Distributor's Team.
- Distributors must not promise more success in their own Team over another.
- If an Distributor is approached by, or approaches a crossline Distributor, he/she must direct and encourage the Distributor back to his/her original Upline.
- 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 for a period of fourteen (14) days or unless and until the Distributor who brought the prospect to the function advises the other 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' Business and to USANA's business.

23. NON-DISPARAGEMENT

Distributors must not disparage, ridicule, discredit, mock, demean, denounce, or act in an unfair manner toward USANA, other Distributors, Products, the Compensation Plan, USANA's employees, other companies (including competitors), or other companies' products, services, or business activities. As used in this paragraph, "disparaging" means anything unflattering and/or negative, whether such communication is true or untrue. Nothing in this Section shall be construed to prohibit a Distributor 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 Distributors have waived any right to monetary relief, or otherwise complying with Distributors' obligations to provide truthful testimony or information as required by a court or by statute.

24. ONE BUSINESS PER DISTRIBUTOR

An Distributor 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, a Distributor's spouse may also Enrol as a Distributor and operate a second Business as long as the spouse's Business is placed below one of the Distributor's Business Centres and not in a Crossline Organisation (unless the Distributor had operated their business for a reasonable period of time prior to their marriage to another Distributor or inherited the Business prior to their marriage to another Distributor). The spouse's Business must be a bona fide independent Business that is operated by the spouse.

25. TRANSFER OF THE AGREEMENT

An Distributor (the "Transferor") may sell or transfer his/her Business to an individual, partnership, trust, or corporation (the "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 a Distributor currently in violation of the Agreement or under investigation for same;
- To any individual or entity that is a current Distributor or who has an ownership interest in any Business, or has had any ownership interest in, or operated, a Business;
- If either Transferor or Transferee is currently participating in another Direct Sales Company;
- If payment for purchase of the Business is financed by Transferor; or
- If USANA determines that purchase by, or transfer to, Transferee would not be in the best interest of USANA or the Distributors in the Upline or Downline of the Business.

The Transferor shall cause the Transferee to accept 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 Distributors set forth in USANA’s Terms & Policies, the Transferor expressly agrees that for one year 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 violation of this provision, 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 provisions of the Distributor Agreement or USANA’s Terms & Policies, 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 Distributor. The cost of acquiring an appraisal shall be borne by USANA.

26. 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 Distributors 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.

27. SPONSOR/PLACEMENT CHANGES

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

- Where a Distributor has been fraudulently or unethically induced into joining USANA;
- Where an incorrect Placement and/or Sponsor was made due to a Distributor 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 a Distributor’s Business is inactive for six (6) consecutive months, the Distributor may terminate his/her 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 Distributor’s Business Centres.

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

28. CONFLICTING ENROLMENTS

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

29. ANTI-MANIPULATION

To help ensure compliance with laws applicable to Direct Sales companies, manipulating the Compensation Plan by a Distributor or any Distributor 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, have little or no knowledge about their Business, or who have no intention of operating a Business;
- Enrolling individuals as Distributors 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 Distributor may not purchase more Product than he/she can reasonably resell to end Customers or personally consume in any Four-Week Rolling Period, nor encourage others to do so;
- Abusive returns for refunds;
- Participating in Downline purchasing (placing a sales order in a Business Centre other than where the sale was generated);
- Failing to submit Distributor or Preferred Customer applications within one business day; and
- Any other illegal, fraudulent, or unethical conduct.

Distributors 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 Distributor 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 Distributor.

30. AUTHORISED SALES

Distributors are only permitted to sell Products to Customers, as defined herein. Distributors may not sell or transfer Products to any person or entity the Distributor knows or has reason to know intends to resell the Products. Distributors 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.

31. ACTIONS OF THIRD PARTIES

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

32. INTERNATIONAL BUSINESS

Distributors may sell and promote Products, the USANA opportunity, and services, or Recruit or Enrol any prospective Distributor or Customer only in countries in which USANA is approved for business, as announced in official USANA communications. If a Distributor desires to conduct business in an authorised country other than the one in which the Distributor is enrolled and a resident, the Distributor 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.

33. BABYCARÉ

Notwithstanding Section 32, only Chinese nationals registered with BabyCare as a BabyCare Distributor may do business in Mainland China. Distributors 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. Distributors may not send any USANA Products to China.

34. COMPLIANCE WITH THE LAW

Distributors must obey all laws, regulations, and ordinances that apply to a Distributor's Business.

35. PRODUCT CARE AND QUALITY CONTROL REQUIREMENTS

Distributors 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 Distributor and may subject the Distributor to severe civil and criminal penalties. Promptly upon receipt of Products, Distributors must inspect Products and their packaging for damage, defect, broken seals, evidence of tampering, or other non-conformance (a "Defect"). If any Defect is identified, do not offer the Product for sale and promptly report the Defect to USANA. Distributors must also inspect inventory regularly for expired or soon-to-be expired Products and remove those Products from inventory. Distributors may not sell any Products that are past their shelf life, expired, or within ninety (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. Distributors must also cooperate with USANA with respect to any Product recall or other consumer safety information dissemination effort.

Only in cases where there are reasons attributable to USANA, the Distributor may claim for normal damages directly and actually incurred by the Distributor due to the non-conformity specified, up to the amount of the price of the product.

In the event that the Distributor discovers a non-conformity, the Distributor may not claim for performance, compensation for damages, or cancellation of the purchase by reason of such non-conformity unless the Distributor notifies USANA of such non-conformity within six (6) months of receipt of the Product.

36. RETAIL SALES QUOTA

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

37. 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 Distributor's Group Volume after a refund/chargeback is processed.

USANA pays commissions weekly. An Distributor 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 Distributor.

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

Unless otherwise required by law, any commissions and bonuses which USANA is unable to pay to a Distributor after USANA's unsuccessful attempts to locate the Distributor, will be subject to USANA's Unclaimed Commissions policy, found on The Hub.

38. SALES TAX

USANA will collect and remit sales taxes on behalf of Distributors at the suggested retail price according to applicable tax rates to which the shipment is destined.

39. DELIVERY AND RISK OF LOSS

USANA may deliver Products to Distributors by common carrier. If USANA ships Products by common carrier, Distributors 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 Distributor'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 Distributors at that time.

40. RETURN POLICY

Satisfaction Guarantee: USANA offers an unconditional money-back satisfaction guarantee on all Products and Sales Tools, including the Starter 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 one-hundred per cent (100%) refund, less shipping.

Distributors must honour this money-back guarantee to their personal retail Customers. If, for any reason, a Distributor's retail Customer is dissatisfied with any USANA Product purchased from the Distributor, such retail Customer may

return the Product to the Distributor from whom the Product was purchased. 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 (less shipping charges). Retail Customers must return Product to the Distributor who sold it to them; USANA will not accept returned Product directly from retail Customers. The Distributor 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 Distributors 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 one-hundred per cent (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 Starter Kit, may be returned to the Company for a one-hundred per cent (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.

The Distributor seeking the refund must have terminated his/her Distributor Agreement and must have purchased the Sales Tools within twelve (12) months from the date on which he/she terminated his/her Business. Provided, however, in the event that cooling-off or early termination under the Act on Specified Commercial Transactions are applicable, such provisions shall apply.

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

COOLING-OFF PERIOD:

Within 30 days from the date in which a Distributor receives their USANA Starter Kit, or the date in which the Distributor receives their first USANA products as a Distributor, whichever comes later, the Distributor may send a notification to USANA requesting a Cooling-Off Period.

- Regardless of the reason, a Distributor may terminate their distributorship as well as their purchasing contract of USANA products.
- The Cooling-Off Period will be effective on the date in which the Distributor sends the notification (post mark date).
- Distributor will not be required to pay for any claim for loss or penalty associated with the termination of the contract.
- The return fee for the Starter Kit and products already received by the Distributor will be borne by USANA.
- Distributorship fee and charges for the products USANA receives back as a result of the termination shall be returned to the Distributor in a timely manner.
- If the details of the Cooling-Off Period were misunderstood by the Distributor, if the Distributor received false or incorrect information regarding the Cooling-Off Period, or if misleading information was given to the Distributor in order to intimidate, confuse, or inhibit the Distributor from conducting the Cooling-Off Period, business operators (such as the Sponsor) shall issue a document to resolve such interruption of the Cooling-Off Period. The Distributor may request a Cooling-Off Period no later than 20 days after the Company receives this explanation regarding the Cooling-Off Period.

RETURNED GOODS AFTER COOLING-OFF PERIOD

A Distributor may receive a one-hundred per cent (100%) refund of the product purchase as long as:

- the product was purchased within the past year;
- the Distributor has the invoice for the product at the time the product is to be returned;
- such returning product is still within the warranty period or before the expiration date when it arrives at USANA; and
- USANA confirms the product is not damaged in any way, including, but not limited to being, dirty, crushed, or torn, and is unused and unopened (including promotional material), without any alteration.

In such cases, the Distributor must pay for the return charge. Distributor will be responsible for any damaged or missing product during delivery of returned product before arriving at USANA. As a result of damaged returned product, commissions and bonuses earned from purchasing such product will be deducted from the refund. When the total refund amount (excluding defective products) becomes more than 30,000 yen (including consumption tax), the Distributor's contract will be terminated. Distributorship registration fee and renewal fee are not subject to a refund. When the product sales contract between member and customer is terminated, USANA shall deal jointly with such member.

41. ABUSIVE RETURNS

If USANA determines that a Distributor is abusing the satisfaction guarantee, the Distributor will be refunded according to Section 40, and the Distributor's Business may be terminated.

42. TERM AND RENEWAL OF A USANA BUSINESS

The term of a Distributor Agreement is one (1) year (subject to prior termination pursuant to these Terms & Policies). USANA charges Distributors an annual business renewal fee plus any applicable taxes. USANA will automatically charge the fee to the Distributor's credit card on the anniversary date of the Distributor's application. USANA reserves the right to terminate all Distributor 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.

43. INVESTIGATION AND NOTICE OF POLICY VIOLATIONS

If USANA believes, or has reason to believe, that a Distributor has violated, or is violating, any term of the Agreement, including, but not limited to, these Terms & Policies, 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 Distributor Agreement, the Ethics & Education Department will notify the Distributor of its conclusion(s). Any written notices may be issued in any commercially reasonable means including, but not limited to, email sent to the Distributor's email address on file with the Company.

44. COMPLIANCE

Violation of the Agreement, any illegal, fraudulent, deceptive, or unethical business conduct, or any act or omission by a Distributor 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.

45. APPEAL PROCESS

An Distributor or former Distributor may appeal a decision from the Ethics Committee to the USANA Ethics Appeal Committee. The Distributor's appeal must be in writing and must be received by the Ethics & Education Department. If the Distributor 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 Distributor of its decision. This decision of the Ethics Appeals Committee will be final. Prior to bringing any dispute resolution proceeding, Distributors must fully exhaust the USANA appeals process.

46. EFFECT OF TERMINATION

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

An Distributor 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 Distributor is not entitled to receive those monies regardless of whether the termination was voluntary or involuntary. The Distributor has no other right to receive commissions or bonuses following termination.

47. PROTECTION OF CONFIDENTIAL INFORMATION

USANA's Confidential Information includes, but is not limited to, lists of Distributors and/or Customers maintained by USANA and all trade secret information that may come into the possession of a Distributor or the data included in Genealogy Reports. An Distributor may not use USANA's Confidential Information for any purpose other than for developing his/her Business. To protect USANA's brand integrity and intellectual property, a Distributor will not, on the Distributor'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 Distributor's Business.

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

48. INDEMNIFICATION

The Distributor 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 Distributor of the Agreement, misuse of Products, or violation of law, and any other act or omission that occurs in the course and scope of conducting his/her Business. The provisions of this section survive the termination of the Agreement.

49. AMENDMENTS

USANA may, in its reasonable discretion, which shall be exercised reasonably and in good faith, from time to time amend the Agreement pursuant to Article 548-4 of the Civil Code, including, without limitation, these Terms & Policies. USANA will notify the effective date of the amendments, details of the amendments by posting on The Hub. An email communication will also be sent to the Distributor's email address on file when it is considered necessary by USANA. Except as otherwise provided in the Dispute Resolution Agreement contained in Section 63, any amendment becomes effective as of the effective date notified by USANA and is automatically incorporated into the Agreement as an effective and binding provision.

An Distributor may opt out of any proposed amendments by terminating his or her Agreement prior to the effective date of such proposed amendments. An Distributor's continued participation in the Business Opportunity on or after the effective date of any amendment constitutes acceptance of the amended Agreement. Unless expressly agreed to by a Distributor, amendments shall not be retroactive to conduct that occurred prior to the effective date of the amendment.

50. ASSUMPTION OF RISK

An Distributor 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.

51. CHANGE OF SPONSORSHIP WAIVER

If a Distributor improperly changes his/her Sponsor, USANA reserves the sole and exclusive right to determine the final disposition of the Team that was developed by the Distributor 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 HIS/HER SPONSOR.

52. INTEGRATED AGREEMENT

The Agreement is the final expression of the understanding and agreement between Distributors 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 a Distributor by any Company employee or another Distributor, the express written terms and requirements of the Agreement will prevail.

53. FORCE MAJEURE

USANA will not be responsible for delays and failures in performing its obligations due to circumstances beyond its reasonable control. Such circumstances include, without limitation, the following force majeure events: (a) acts of God; (b) flood, fire, earthquake, tsunami, epidemics, pandemics (including COVID-19 or similar infections), other disasters; (c) war, invasion, terrorist threats or acts, riot, or other civil unrest; (d) government order (including statement of emergency order announced by the government) or law; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns, or other industrial disturbances; (i) shortage of adequate power or transportation facilities; and (j) other events beyond the reasonable control of USANA.

54. 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.

55. SURVIVAL

The provisions of this Agreement set forth in Sections 20, 31, 32, 48, 49, 50, 63, and any remedies for the breach thereof, shall survive the cancellation or expiration of the Agreement.

56. 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.

57. NO RELIANCE

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

58. HEADINGS

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

59. TRANSLATIONS

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

60. 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.

61. PERSONAL DATA AND RIGHT OF PRIVACY

DISTRIBUTOR PERSONAL DATA

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

HOW IS DISTRIBUTORS' PERSONAL DATA COLLECTED?

UHS will collect certain of the Distributor's personal data (which is information relating to the Distributor and from which the Distributor can be directly or indirectly identified) through approved

UHS channels including UHS online platforms, electronic communications, and official UHS materials provided to the Distributor.

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 Distributors and other details of products and services Distributors have purchased from UHS.
- Technical Data includes internet protocol (IP) address, Distributor 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 Distributors use to access UHS websites and other online services.
- Profile Data includes Distributor username and password, Distributor interests, preferences, feedback, and survey responses.
- Usage Data includes information about how Distributors use UHS's website, products, and services.
- Marketing and Communications Data includes Distributor preferences in receiving marketing from UHS and third parties and Distributor communication preferences.

HOW DOES UHS USE DISTRIBUTOR PERSONAL DATA?

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

UHS may process Distributor personal data for the purposes of its own legitimate interests provided that those interests do not override the Distributor'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 Distributor better.

UHS may process the Distributor's personal data for certain additional purposes with the consent of the Distributor.

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 DISTRIBUTOR PERSONAL DATA

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

- Processing the Distributor application;
- Processing, fulfilling, and notifying Distributor of the status of Distributor product orders;
- Developing Downline genealogy reports or other related business reports;
- Providing Distributor services such as planning and facilitating meetings and training;
- Administering Distributor 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 Distributor Financial Data for billing and fraud prevention purposes.

SHARING DISTRIBUTOR PERSONAL DATA

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

- Those UHS personnel and its affiliated companies who need to access Distributor 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 Distributors' 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 Distributors' 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 Distributor personal data in the same way as set out in this Privacy Policy.

INTERNATIONAL TRANSFERS

Distributor 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 Distributor'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 Distributor personal data to those parties who have a business need. They will only process Distributor 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 Distributor and any applicable regulator of a breach where UHS is legally required to do so.

DATA RETENTION

UHS will only retain the Distributor'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 Distributor'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 Distributor personal data, the purposes for which UHS processes Distributor 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 Distributor, in which case UHS may use such information without further notice to the Distributor.

DISTRIBUTOR LEGAL RIGHTS

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

If the Distributor 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](mailto:dataprivacy@usanainc.com) or contact USANA at dataprivacy@usanainc.com.

PERSONAL DATA OF CUSTOMERS AND OTHER DISTRIBUTORS

The Distributor agrees that where, in the course of conducting a USANA Business, the Distributor collects and/or processes the personal data of Customers or other third parties including any other Distributors ("Third-Party Personal Data") then the Distributor will process such personal data as a data processor on behalf of USANA as the data responsible in terms of the applicable data protection laws, 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 Distributor is required to process any Third-Party Personal Data under applicable data protection laws.

The Distributor may only process Third-Party Personal Data which has been collected through approved USANA channels or materials (such as Customer forms) provided to the Distributor. The Distributor may only process Third-Party Personal Data for the purposes of the development and conduct of the Distributor's USANA Business 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 Distributor 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 Distributor 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 Distributor will maintain records of its processing activities in the form provided by USANA.

The Distributor may not transfer any Third-Party Personal Data outside of the Distributor's country of residence otherwise than by uploading for storage on USANA's own secure servers. The Distributor 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 Distributor as a data processor.

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

62. DISPUTE RESOLUTION AGREEMENT

THIS PROVISION AFFECTS HOW ANY CONTROVERSY, CLAIM, OR DISPUTE OF WHATEVER NATURE ARISING BETWEEN AN ASSOCIATE, ON THE ONE HAND, AND USANA AND/OR THE RELATED PARTIES, ON THE OTHER, WHETHER SUCH DISPUTE IS BASED ON RIGHTS, PRIVILEGES, OR INTERESTS RECOGNISED BY OR BASED UPON STATUTE, CONTRACT, TORT, COMMON LAW, OR OTHERWISE ("DISPUTES"), SHALL BE RESOLVED. THE PARTIES UNDERSTAND AND AGREE THAT THIS SECTION 63 OPERATES AS A SEPARATE AND DISTINCT AGREEMENT THAT IS SEVERABLE FROM THE REMAINDER OF THE AGREEMENT AND IS ENFORCEABLE REGARDLESS OF THE ENFORCEABILITY OF ANY OTHER PROVISION OF THE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THESE TERMS & POLICIES. THE PARTIES FURTHER UNDERSTAND AND AGREE THAT THE UNENFORCEABILITY OF THE ASSOCIATE AGREEMENT IN WHOLE OR IN PART SHALL NOT SUPPORT A FINDING THAT THE DISPUTE RESOLUTION PROVISION IN THIS SECTION 63 IS UNENFORCEABLE. THIS SECTION 63 WILL SURVIVE THE TERMINATION OF THE AGREEMENT.

All Disputes shall be subject to the exclusive jurisdiction of the Tokyo District Court in the first instance.

Distributors shall not disclose the existence or nature of any claim, defense, or argument; any documents, correspondence, pleadings, briefing, exhibits, arguments, testimony, evidence, or information exchanged or presented in connection with any claim, defense, or argument; or any rulings, decisions, or results of any claim, defense, or argument in the Dispute to any third party, with the sole exception of the Distributor's legal counsel, who the Distributor shall ensure complies with these confidentiality terms. The Parties agree to take all necessary steps to protect the confidentiality of the information above.

Any court proceeding under this Dispute Resolution Agreement must be filed no later than one year after the cause of action arose. Failure to timely commence a legal proceeding constitutes both an absolute bar to the commencement of a legal proceeding with respect to the Dispute. The Parties agree that time is of the essence.

USANA and Distributor agree that the non-prevailing party in the Dispute shall reimburse the prevailing party for reasonable attorney's fees and expenses incurred by the prevailing party in connection with such Dispute.

This Dispute Resolution Agreement shall survive termination of the Distributor Agreement for any reason.

Nothing in this Agreement shall prevent USANA or the Distributor from applying to and obtaining from any court having jurisdiction a writ of attachment, temporary restraining order, preliminary injunction, permanent injunction, or other available relief to safeguard and protect USANA's or the Distributor's interest prior to, during, or following the filing of any legal proceeding.

63. DEFINITIONS

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

Application (or "Distributor Registration Application and Consent"): The form completed and signed by a person who wishes to enter into a Distributor Agreement with the Company.

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 a Distributor's business-building activity, through which Product is purchased and Sales Volume is accumulated.

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 Distributors.

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 Distributors, 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 Distributors and Customers, and data included in Genealogy Reports or other nonpublic reports.

Crossline Organisation: Distributors 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.

Distributor: An independent contractor authorised by the Company under the Agreement to purchase and resell Products to Customers, recruit other Distributors, and participate in the Company's Compensation Plan. An Distributor's relationship to the Company is governed by the Agreement.

Downline: All Distributors located beneath a particular Distributor 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 a Distributor's Team.

Group Volume: The commissionable volume from Product sales generated by a Distributor'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 a Distributor in his/her 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 product and do not participate in the Compensation Plan.

Products: The products Distributors 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 Distributors.

Sales Volume: The points generated from Product sales by a Distributor.

Sponsor: A Distributor's direct Upline.

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

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

Upline: The direct line of Sponsorship above a Distributor.

USANA or Company: USANA Health Sciences Japan LLC.



USANA Health Sciences Japan LLC
4-1-9 2Floor Kudan-kita | Chiyoda-ku, Tokyo, Japan 102-0073

Effective Date: 31/01/2022

CCR-018010 JPEN 11/2021