

United States

Associate Terms & Policies

Effective Date: June 4, 2024



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1. APPLYING TO BECOME AN ASSOCIATE

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

- Read USANA's Terms & Policies, especially the **Dispute Resolution Agreement and Compensation Plan**;
- Complete, sign, and submit an online or hardcopy Associate Application to the Company;
- Purchase a Welcome Kit; and
- Provide a valid tax identification (ID) number and contact information.

All information on how to complete an Associate Application and receive a Welcome Kit can be obtained from the applicant's Sponsor. Other than the Welcome Kit, an Associate is not required to purchase any Products or materials to become an Associate.

2. MINIMUM AGE

Persons under age eighteen (18) may not be Associates, and no Associate shall knowingly Recruit or Sponsor, or attempt to Recruit or Sponsor, any person under age eighteen (18).

3. ETHICS CERTIFICATION REQUIRED

Associates must complete USANA's Ethics in Action Certification within thirty (30) days of submitting an Associate Application. **After the thirty (30) -day grace period, an Associate is not eligible to earn commissions until he/she has completed the "Ethics in Action" certification.**

4. TEMPORARY ENROLLMENT

A new Enrollment 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 thirty (30) -day temporary enrollment 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, Affiliates, or Associates into 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 the Associate's 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, which includes these Terms & Policies, 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 any income or other taxes they may owe, 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.

For all purposes, including, but not limited to, Medicare and Social Security taxes, the Federal Unemployment Tax Act ("FUTA"), income tax withholding, workers' compensation, unemployment insurance, and any and all other federal, state and local laws, rules and regulations, Associates (and any helpers and/or assistants) will be treated as an independent contractor and not as an employee with respect to the Company. Should any court or agency find that any relationship exists between the parties, other than an independent contractor relationship, then Associate hereby waives any rights Associate may have as an employee of the Company.

Associate acknowledges that: (i) Associate is engaged in the trade or business of primarily in-person demonstration and sales presentation of consumer products, including services or other intangibles, in the home or sales to any buyer on a buy-sell basis, a deposit-commission basis, or any similar basis, for resale by the buyer or any other person in the home or otherwise than from a retail or wholesale establishment; (ii) substantially all of the remuneration (whether or not paid in cash) for the services performed by the Associate is directly related to sales or other output (including the performance of services) rather than to the number of hours worked by the Associate; and (iii) the services performed by the Associate are performed pursuant to a written contract between the Associate and the Company and the contract provides that the Associate will not be treated as an employee with respect to those services for state tax purposes.

Associates shall establish their own goals, hours, place of business and methods of sale, so long as they

comply with the Agreement including, but not limited to, the opportunity for profit and loss. 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 her or his/her domicile.

7. TERMINATION BY ASSOCIATE

An Associate may voluntarily terminate his/her Agreement in the following ways:

- **Written Notice.** An Associate may terminate his/her Agreement at any time, for any reason. Termination must be submitted in writing to the Company by email at customerservice@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, Affiliates, and/or Associates to participate in USANA in any manner that varies from the Compensation Plan;
- Require or encourage other current or prospective Customers, Affiliates, and/or Associates to execute any agreement or contract other than official USANA agreements and contracts in order to become an Associate, Affiliate, 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 Affiliates; or
- Create their own enrollment or application form. Online Associate and Affiliate Enrollments 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 enrollment.

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 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 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, share, or promote 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 authorizes Associate to produce advertising material. Violations will result in appropriate action including possible suspension or termination of the Agreement. Associates are solely responsible for any Product or Income and Lifestyle claims contained in material generated using artificial intelligence tools. Claims in advertising materials will be evaluated based on the original language in which they are published.

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. 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 the U.S. Food and Drug Administration ("FDA") or any other regulatory authority.

11. INCOME AND LIFESTYLE REPRESENTATIONS

When presenting or discussing the USANA opportunity or Compensation Plan, Associates 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 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 deceptive, an Income Claim must strictly adhere to each of the following requirements:

- Unless the claim is typical, the Associate must include the appropriate Income Disclaimer, which links to the most recent version of USANA's Income Disclosure Statement (the "IDS"), located at USANAincome.com; 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 checks, copies of checks, bank statements, tax statements, or similar financial records; and
- Associates may not alter or verbally embellish the Income Disclaimers or IDS in any way, including but not limited to adding any text.

Associates may not make 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 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, financial investment, sales skill, and selling USANA Products. 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 posting 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, X, LinkedIn, YouTube, WeChat, or Pinterest.

13. MINIMUM ADVERTISED PRICE

Associates may sell Products from their inventory at any price they choose. However, Products may not be advertised below Auto Order Price as set forth in the price list on The Hub. However, Associates may advertise the following non-price incentives in conjunction with Products: free shipping, free or discounted logo gear, and product samples.

14. EMAIL SOLICITATION

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

15. MEDIA PROMOTION

Associates may not promote the Products or Business Opportunity through interviews with the media, articles in publications, news reports, blogs, radio, TV, billboards, 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 customerservice@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, Associates are granted a limited license to utilize 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 concludes immediately upon termination (for any reason, whether termination is voluntary or involuntary) of the Associate's Business. Upon 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 or username unless the use clearly indicates that the Associate is independent;
- 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 authorization from the individual and/or USANA.

Associates are allowed to use "USANA" in their social media 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.

17. 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.**

18. 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 (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

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, e-commerce shopping sites, or order fulfillment sites including, but not limited to, Amazon, Facebook Marketplace, eBay, 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 Centers operated by the Associate whose social media site generated the sale; the Sales Volume may not be assigned to a Business Center of any other Associate nor may Sales Volume from a single order be spread among multiple Business Centers held by the Associate.

20. UNAUTHORIZED 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 Associate may not Promote products or Recruit any Associates, Affiliates, 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, enrollment, 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, Affiliate, or Preferred Customer and USANA, or any promotion that may be foreseen to draw an inquiry from any other Associates, Affiliates, or Customers about any Competing Direct Sales company. Such conduct constitutes improper solicitation even if the Associate's actions are in response to an inquiry made by another Associate, Affiliate, or Customer. The term "Promote" means directly or indirectly to sell, offer to sell, or promote the products or business opportunity of the Competing Direct Sales Company to any current Associate, Affiliate, or Customer through any means, including, but not limited to (regardless of whether you

know that the person is a current USANA Associate, Affiliate, or Customer), the use of any website, blog, or other social media site on which the Associate discusses or promotes, or has discussed or promoted, the Business Opportunity or Products. General promotion of any Competing Direct Sales Company on the internet or social media that is available to the general public will be deemed a solicitation of USANA Associates.

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 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.

The Company has provided Associates with access to its Confidential Information, which is valuable and a confidential trade secret of the Company, and specialized 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.

21. 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.

22. CROSSLINE RAIDING

Crossline raiding is strictly prohibited. "Crossline Raiding" is defined as the enrollment or attempted enrollment of an individual or entity that is a current Affiliate or 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 or Affiliates in an attempt to entice another Associate or Affiliate 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 or Affiliate, he/she must direct and encourage the Associate or Affiliate back to his/her original Upline.
- Where a prospective Associate, Affiliate, or Preferred Customer accompanies an Associate to a USANA meeting or function, no other USANA Associate may Recruit the prospect to Enroll 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 Enroll in USANA and that the Associate is no longer Recruiting the prospect to Enroll 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.

23. NON-DISPARAGEMENT

Associates must not disparage, ridicule, discredit, mock, demean, denounce, or act in an unfair manner toward USANA, other Associates or Affiliates, 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.

24. 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 Enroll as an Associate and operate a second Business as long as the spouse's Business is placed below one of the Associate's Business Centers and not in a Crossline Organization. The spouse's Business must be a bona fide independent Business that is operated by the spouse.

25. CO-APPLICANTS

If an Associate chooses to include another person in his/her Business, the Associate may submit a new Associate Application and Agreement and add that person as a co-applicant on the Agreement. An Associate who wishes to operate a USANA Business as a co-applicant will be required to:

- Meet the Associate application and minimum age requirements as set forth in the Agreement;
- Not have previously had any ownership interest in, or operated, a Business.

Only one co-applicant may be added to a distributorship. Multiple individuals who wish to jointly operate a Business must apply as a Corporation, Partnership, or Trust.

An Associate may not add or remove a co-applicant with the intent to circumvent the terms of the Agreement. Any time an applicant or co-applicant is removed from the Business, it must be done in accordance with the terms of the Agreement, and is subject to approval at USANA's discretion. If, after granting the transfer request, USANA becomes aware that the former Associate (Transferor) and/or the Transferor's co-applicant has engaged in conduct or activity that would violate the Agreement, USANA may enforce the violation against the transferred distributorship.

26. TRANSFER OF THE AGREEMENT

An Associate (the "Transferor") may sell or transfer his/her Business to an individual, partnership, trust, or corporation (collectively, 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 located on The Hub and all parties have signed and agreed to comply with the terms and conditions of 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;
- 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.

USANA also will not approve the sale or transfer of a Business unless the seller and purchaser have complied with all of the requirements set forth in the Business Transfer Request Form.

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 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 further 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 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 Associate 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 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. TERMINATION BY THE COMPANY

The Company may, at its option, terminate this Agreement without advance notice to the Associate if any of the following occurs:

- The Associate and/or the Associate's Business becomes or is declared insolvent or bankrupt;
- The Associate and/or the Associate's Business is the subject of a voluntary or involuntary bankruptcy or other proceeding related to its liquidation or solvency, which proceeding is not dismissed within ninety (90) calendar days after its filing; or
- The Associate and/or the Associate's Business makes an assignment for the benefit of creditors.

29. 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 Enrollment;
- If an Associate's Business is inactive for six (6) consecutive months the Associate may request that he/she be moved to another Placement. For purposes of this policy only, "inactive" means that no Product order is placed under any of the Associate's Business Centers.

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 either for himself/herself or indirectly for another Associate. Associates may not terminate their Business and then enroll as an Affiliate in a different placement during the 6-month waiting period.

30. CONFLICTING ENROLLMENTS

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.

31. 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 Enrollments, 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 Enrollment, have little or no knowledge about their Business, or who have no intention of operating a Business;
- Enrolling individuals as Associates or Affiliates 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 re-sell to end consumers 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 Center other than where the sale was generated); and
- Failing to submit Associate 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.

32. AUTHORIZED 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 re-sell 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.

33. ACTIONS OF HOUSEHOLD MEMBERS, PARTNERS, ASSOCIATED ENTITIES, OR THIRD PARTIES

If any member of an Associate's immediate household, including, without limitation, a spouse or Domestic Partner, engages in any activity which, if performed by the Associate, would breach any provision of this Agreement, such activity will be deemed a breach by the Associate. An Associate will be held responsible for any breach of these Terms & Policies committed by a legal entity (e.g. corporation, partnership) associated with the Associate. Additionally, if a third party acting on behalf of, or with the active or passive assistance of, an Associate engages in conduct that would be a breach of this Agreement, the conduct of the third party may be imputed to the Associate, and the Associate's Business may be terminated.

34. INTERNATIONAL BUSINESS

Associates may sell and promote Products, the Business Opportunity and services, or Recruit or Enroll any prospective Associate, Affiliate, 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 authorized 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.

35. BABYCAR

Notwithstanding the International Business policy, 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.

36. COMPLIANCE WITH THE LAW

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

37. 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 non-conformance (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 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. Associates must also cooperate with USANA with respect to any Product recall or other consumer safety information dissemination effort.

38. RETAIL SALES QUOTA

To help ensure compliance with laws applicable to Direct Sales companies, Associates must sell Products to at least five (5) Customers every Four-Week Rolling Period to be qualified for commissions. These customers can either be 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.

39. 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 check. Errors or discrepancies that are not brought to USANA's attention within the thirty (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. Unless otherwise required by law, any commissions and bonuses which USANA is unable to pay to an Associate after USANA's unsuccessful attempts to locate the Associate, will be subject to USANA's Unclaimed Commissions policy.

40. SALES TAX

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

41. 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.

42. RETURN POLICY

Satisfaction Guarantee: USANA offers an unconditional money-back satisfaction guarantee on all Products and 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 one-hundred percent (100%) refund, less shipping.

Associates must honor this money-back guarantee to their personal retail Customers. If, for any reason, 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, 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 unauthorized 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 percent (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 one-hundred percent (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.

43. RESCISSION RETURNS

Customers, Preferred Customers, and newly-Enrolled Associates have three (3) business days within which to cancel their initial purchase and obtain a full refund. Residents of Alaska have five (5) business days, and residents of North Dakota age 65 and over have fifteen (15) days to cancel and receive a full refund. An explanation of these rights is detailed on the sales receipt.

44. ABUSIVE RETURNS

If USANA determines that an Associate is abusing the satisfaction guarantee, the Associate will be refunded according to the Return Policy, and the Associate's Business may be terminated.

45. TERM AND RENEWAL OF A USANA BUSINESS

The term of an Associate Agreement is one (1) 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.

46. 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, 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 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.

47. COMPLIANCE

Any violation of the Agreement, illegal, fraudulent, deceptive or unethical business conduct, or other 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.

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

49. EFFECT OF TERMINATION

Following the effective date of an Associate's termination of his/her Business for any reason, the former Associate will have no right, title, claim, or interest to his/her former Business, to the Team which the former Associate operated, or any bonus and/or commission from the sales generated by his/her 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 his/her Agreement will receive commissions and bonuses only for the last full calendar week prior to his/her termination.

An Associate whose Agreement is involuntarily terminated 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.

If an Associate wishes to re-enroll with USANA after being terminated (whether involuntarily or voluntarily) during the course of, or as a result of, an ethics investigation, that Associate must submit a request to re-enroll through the ethics department after completing a waiting period of at least twelve (12) months after the termination date.

50. PROTECTION OF CONFIDENTIAL INFORMATION

USANA's Confidential Information includes, but is not limited to, lists of Associates, Affiliates, 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 his/her 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.

51. 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, 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 Associate Agreement.

52. 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 65, 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 or 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 of the amended Agreement. Unless expressly agreed to by Associate, amendments shall not be retroactive to conduct that occurred prior to the effective date of the amendment.

53. 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.

54. CHANGE OF SPONSORSHIP WAIVER

If an Associate 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 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 his/her Sponsor.**

55. 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.

56. FORCE MAJEURE

USANA will not be responsible for delays and failures in performing its obligations due to circumstances beyond its reasonable control.

57. 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.

58. SURVIVAL

The provisions of this Agreement set forth in Sections 20, 32, 34, 50, 51, 52, 65, and any remedies for the breach thereof, shall survive the termination or expiration of the Agreement.

59. 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 authorized officer of USANA. The waiver will apply only to that specific case.

60. NO RELIANCE

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

61. HEADINGS

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

62. 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.

63. CAPITALIZED TERMS

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

64. PERSONAL DATA AND RIGHT OF PRIVACY

USANA will process the Associate's personal data in accordance with our Privacy Policy (available [US](#).) The Privacy Policy contains the details of our processing rules and your data subject rights. If you do not agree to the terms of our Privacy Policy, please do not accept the current USANA Associate Terms & Policies.

65. DISPUTE RESOLUTION AGREEMENT

Related Parties: Associate and USANA (each, together with, as applicable, each of the Related Parties, a "Party" and collectively, the "Parties") acknowledge that nothing contained herein is intended to create any involvement by, responsibility of, or liability for, the Related Parties with respect to any dealings between Associate and USANA, and the Parties further acknowledge that nothing contained herein shall be argued by any of them to constitute any waiver by the Related Parties of any defense that Related Parties may otherwise have concerning whether they can properly be made a party to any Dispute between the Parties.

A. MANDATORY INDIVIDUAL ARBITRATION AGREEMENT AND CLASS ACTION WAIVER

This Mandatory Individual Arbitration Agreement and Class Action Waiver affects how any controversy, claim, or dispute of whatever natures arising between 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 recognized or based upon statute, contract, tort, common law, or otherwise ("Disputes"), shall

be resolved.

Except as provided herein, all Disputes shall be submitted for resolution to binding arbitration in Salt Lake City, Utah, in accordance with the rules of the Judicial Arbitration and Media Services (JAMS), the JAMS Comprehensive Arbitration Rules and Procedures (the JAMS Rules), and this Mandatory Individual Arbitration Agreement, which shall control in the event of any conflict, unless the laws of the state or province in which the Associate resides expressly require otherwise. The JAMS Rules are available at jamsadr.com and will be provided upon request to ethics@USANAinc.com. All disputes will automatically be subject to and governed by the Standard Protective Order for The United States District Court for the District of Utah.

EXCEPT AS EXPRESSLY PROVIDED HEREIN, TO PROMOTE TO THE FULLEST EXTENT REASONABLY POSSIBLE A MUTUALLY AMICABLE RESOLUTION OF DISPUTES IN A TIMELY, EFFICIENT, AND COST-EFFECTIVE MANNER, THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY OR ANY COURT.

However, nothing in this Dispute Resolution Agreement shall prevent an Associate from bringing an individual action for money damages of \$10,000 or less (but no other relief) in small claims court of appropriate jurisdiction where permitted by law ("Small Claims Court Disputes").

CLASS ACTION WAIVER: TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES WAIVE ANY RIGHT TO HAVE ANY DISPUTE HEARD AS A CLASS, COLLECTIVE, OR REPRESENTATIVE ACTION, AND THE ARBITRATOR(S) SHALL HAVE NO AUTHORITY TO PROCEED ON SUCH A BASIS. A PARTY MAY ASSERT A CLAIM OR COUNTERCLAIM IN THAT PARTY'S INDIVIDUAL CAPACITY ONLY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE JAMS RULES, THE ARBITRATOR(S) MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S DISPUTES AND MAY NOT OTHERWISE PRESIDE OVER ANY PROCEEDING ON A NON-INDIVIDUAL BASIS EXCEPT WITH THE WRITTEN CONSENT OF ALL AFFECTED PARTIES TO AN ARBITRATION PROCEEDING. TO THE EXTENT ANY DISPUTES ARE NOT ARBITRABLE AS A MATTER OF LAW, THE PARTIES AGREE THAT LITIGATION OF THOSE DISPUTES SHALL BE STAYED PENDING THE OUTCOME OF ANY INDIVIDUAL DISPUTES IN ARBITRATION.

In the event the prohibition on class or representative arbitration is deemed invalid or unenforceable after exhaustion of all appeals of that issue, then, to the extent that class or representative claims are asserted in a Dispute, such class or representative claims shall be litigated in accordance with Section B of this Agreement.

Special Provisions Applicable to Sexual Assault and/or Sexual Harassment Disputes: Notwithstanding anything else in this agreement, at the election of a person alleging conduct constituting a sexual harassment dispute or sexual assault dispute, or the named representative of a class or in a collective action alleging such conduct, claims involving sexual harassment and/or sexual assault may be maintained on an individual, joint, class, or collective action in a judicial, arbitral, administrative, or other forum. The determination of the arbitrability of a sexual assault or sexual harassment dispute (including whether such dispute can be maintained on a joint, class, or collective

action basis) shall be determined by a court.

Protection of Confidential Information: The Parties understand and agree that USANA has valuable trade secrets and Confidential Information. The Parties agree to take all necessary steps to protect from public disclosure such trade secrets and Confidential Information in any proceeding pursuant to this Mandatory Individual Arbitration Agreement.

Arbitration Procedures: Notwithstanding the rules of JAMS, the following will apply to all arbitration actions:

- The Parties agree that time is of the essence.
- The arbitration will be conducted in English (with appropriate translators as may be necessary).
- The Federal Rules of Evidence will apply in all cases.
- The Parties will be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure. The Local Civil Rules for the United States District Court for the District of Utah will apply to all discovery disputes.
- The Parties will be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure.
- The Parties will be allotted equal time to present their respective cases, including cross-examinations.
- The decision of the arbitrator will be final and binding on the Parties and may, if necessary, be reduced to a judgment in a court of law, except that a Party may choose to appeal certain arbitration awards as described below. Any motion or action to confirm, vacate, modify, or otherwise enter judgment on the award shall comply with Section B of this Dispute Resolution Agreement. Further, to the fullest extent allowed by law, any Party seeking to enforce an award of an arbitrator(s) shall submit the award under seal to maintain protections of Confidential Information, and the Parties hereby agree and consent to the filing of such a submission, motion, or order under seal.
- The arbitrator(s) will have no authority to award punitive damages, except where an applicable law or statute expressly requires otherwise.

Notwithstanding the rules of JAMS, certain procedures will apply depending on the amount in controversy. For Disputes in which the amount in controversy is less than \$1,000,000.00 (one million dollars), the following procedures will apply absent mutual agreement of the Parties to the contrary:

- The arbitration will occur within 180 days from the date on which the arbitrator is appointed, and the final hearing will last no more than five business days.
- There will be one arbitrator selected from the roster of JAMS neutrals, using the JAMS Rules for arbitrator selection.

- The arbitrator shall institute discovery consistent with the goals of arbitration. Discovery and disclosure of information will be conducted under the rules provided by JAMS to achieve the usual goals of arbitration, including cost effective and efficient resolution of disputes between parties, but in no event shall the Parties be entitled to discovery rights greater than provided by the Federal Rules of Civil Procedure.

For controversies and claims in which the amount in controversy is equal to or exceeds \$1,000,000.00, the following procedures will apply absent mutual agreement of the Parties to the contrary:

- There will be three arbitrators selected from the roster of JAMS neutrals, using the JAMS Rules for arbitrator selection.
- The arbitrator panel shall designate one arbitrator to address discovery disputes. In the event that a party deems it necessary, a party may appeal the decision of the discovery arbitrator to the three-person arbitrator panel. In order to appeal a discovery decision, the appeal must be made in writing and filed with the arbitrator panel within 5 business days of the party receiving the discovery decision they wish to appeal.
- The Parties will be entitled to appeal any arbitration award to an Appeal Panel under the JAMS Optional Arbitration Appeal Procedures. The Parties agree to request oral argument for any appeal filed under the Optional Arbitration Appeal Procedures.

Except as provided herein, the arbitrator(s) shall have the exclusive power to determine and rule upon challenges to the arbitrator's jurisdiction to preside over the Dispute, including any objections with respect to the existence, scope, or validity of this Mandatory Individual Arbitration Agreement and/or to the arbitrability of any Dispute. The arbitrator or arbitral panel shall not have the authority to determine whether the arbitration can proceed on behalf of or against a class.

Costs of Arbitration: USANA shall reimburse Associate for all filing, administration, and arbitrator fees associated with the arbitration proceedings commenced pursuant to the provisions of this Agreement. Notwithstanding USANA's obligation to cover filing, administration, and arbitrator fees, Associate shall be responsible for any and all additional costs incurred in the arbitration, including, without limitation, fees for attorneys, expert witnesses, and any other expenses directly related to the arbitration process. The prevailing party in any arbitration that gives rise to claims governed by this agreement shall be entitled to an award of attorneys' fees from the other party, including, without limitation, attorneys' fees incurred compelling arbitration, if any.

Temporary Injunctive and Enforcement Relief:

Except as provided below, no Party shall be entitled to commence or maintain any action in a court of law upon any matter in dispute until such matter has been submitted and determined as provided

here, and then only for the enforcement of such arbitration award. Notwithstanding this Mandatory Individual Arbitration Agreement, any Party may apply to a court of competent jurisdiction as necessary to enforce an arbitration award, or to seek a temporary restraining order or temporary or preliminary injunction to ensure that the relief sought in arbitration is not rendered ineffectual during the pendency of, or after the rendition of, a decision in any arbitration proceeding. In particular, and without limitation, Associate acknowledges that the provisions of the Terms & Policies related to "Protection of Confidential Information" and "Unauthorized Recruiting; Participation in Other Direct Sales Companies" are reasonable and necessary to protect the legitimate interests of USANA. Associate further acknowledges that his or her breach of such provisions and covenants would cause USANA irreparable harm, the amount and extent of which would be very difficult to estimate or ascertain, and for which USANA may have no adequate remedy at law. Therefore, Associate agrees that USANA shall be entitled to obtain preliminary injunctive relief, a temporary restraining order, specific performance, or such other equitable relief as may be required to prevent the Associate from breaching or threatening to breach such provisions and covenants. Furthermore, notwithstanding anything to the contrary herein, to the extent a party contests the jurisdiction of a state or federal court to preside over claims for a temporary restraining order or temporary or preliminary injunctive relief as described above, the court in which such claim is made shall have exclusive jurisdiction to determine whether it has jurisdiction to preside and rule upon a Party's request for the court to issue a temporary restraining order or temporary or preliminary injunction. The institution of any action shall not constitute a waiver of the right or obligation of any Party to submit any claim seeking relief other than that provided in this paragraph to arbitration.

Bellwether Arbitration Procedures: Notwithstanding any provision of the JAMS Rules, these Bellwether Procedures shall be used when more than 10 arbitration cases pending at the same time present substantially similar or overlapping allegations of fact or law. Notwithstanding anything to the contrary provided herein, a court of competent jurisdiction, and not JAMS or an arbitrator, shall resolve any dispute over whether these Bellwether Procedures apply to any group of claims/arbitrations.

The Parties recognize and agree that a large number of arbitration cases with similar allegations will impose excessive transaction costs regardless of the cases' merit or lack of merit. The Parties also recognize and agree that it is logistically difficult or impossible to arbitrate simultaneously large numbers of substantially similar cases. The Parties therefore agree to use Bellwether Litigation Procedures similar to those that courts use in mass-tort cases, based on the judiciary's experience that, after one or a few cases are tried to verdict, most or all of the other cases settle or otherwise resolve themselves.

To the maximum extent permitted by law, no more than 10 cases/arbitrations will be active at any one time. All remaining cases/arbitrations will be stayed, with the statute of limitations tolled. As soon as one of the original active cases/arbitrations is resolved (by decision, settlement, or otherwise), a stayed arbitration shall replace it on the list of 10 active cases/arbitrations. Except as provided below, cases/arbitrations shall be placed on or moved to the active list in the order demands for arbitration are first received or lawsuits are filed. Until a case/arbitration is on or is moved to the list of 10 active cases/arbitrations, the sum any Party paid to initiate a case/arbitration shall be refunded, and no Party shall have any obligation to pay any JAMS or arbitrator fees.

If an Associate claims exceptional hardship from any delay pursuant to this Bellwether Procedure, such Associate may petition USANA to waive the 10-case limit for that case. If USANA does not agree, the Associate may petition JAMS to place the case/arbitration on the list of 10 active cases/arbitrations, on the ground that delay will impose exceptional hardship. If JAMS finds exceptional hardship and grants the petition, JAMS shall (based on its determination of relative hardship) remove one other case/arbitration from the list of 10 active cases/arbitrations and place it at the head of the list of stayed cases/arbitrations. Under no circumstances shall JAMS place more than 10 cases/arbitrations into active status. If more than 10 hardship applications are granted, JAMS shall determine which 10 cases/arbitrations shall proceed first, based on its determination of relative hardship.

Opt Out: 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 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 Mandatory Individual Arbitration Agreement.

SEPARATE AND DISTINCT AGREEMENT: THE PARTIES UNDERSTAND AND AGREE THAT THIS MANDATORY INDIVIDUAL ARBITRATION AGREEMENT 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. THE PARTIES FURTHER UNDERSTAND AND AGREE THAT THE UNENFORCEABILITY OF THE ASSOCIATE AGREEMENT IN WHOLE OR IN PART SHALL NOT SUPPORT A FINDING THAT THIS MANDATORY INDIVIDUAL

ARBITRATION AGREEMENT IS UNENFORCEABLE. CONSIDERATION FOR THIS PROVISION INCLUDES, WITHOUT LIMITATION, THE PARTIES' MUTUAL AGREEMENT TO ARBITRATE DISPUTES.

B. GOVERNING LAW AND JURISDICTION

Except as provided herein, jurisdiction and venue of any other matter or Dispute not subject to arbitration shall reside exclusively in Salt Lake County, State of Utah or in the United States District Court, in and for the District of Utah, except that jurisdiction and venue of any such claim or Dispute not subject to arbitration arising under the provisions of the Terms & Policies related to "Unauthorized Recruiting; Participation in Other Direct Sales Companies" shall reside in the State of Utah unless otherwise required by law where the Associate resides.

Except as provided herein, this Dispute Resolution Agreement is to be construed in accordance with and governed by the laws of the State of Utah, without regard to its choice of law principles, except that, as applicable, the Federal Arbitration Act ("FAA") shall govern the arbitration and Mandatory Individual Arbitration Agreement without giving effect to any state law to the contrary. Notwithstanding the foregoing sentence: (1) the laws of the State of California, without regard to its choice of law principles, shall govern claims and Disputes brought in California pursuant to the terms of this Dispute Resolution Agreement, except that, as applicable, the FAA shall govern the arbitration and Mandatory Individual Arbitration Agreement without giving effect to any state law to the contrary; and (2) the laws of the state in which the Associate resides shall govern claims and Disputes arising under the provisions of the Terms & Policies related to "Unauthorized Recruiting; Participation in Other Direct Sales Companies," except that, as applicable, the FAA shall govern the arbitration and Mandatory Individual Arbitration Agreement without giving effect to any state law to the contrary.

Small Claims Court Disputes shall not be subject to the jurisdiction and venue requirements of this Dispute Resolution Agreement. The law of the State of Utah shall govern Small Claims Court Disputes.

Notwithstanding anything to the contrary herein, residents of a state with a law providing that agreements requiring resolution of claims or Disputes outside of that state are void, unlawful, or unenforceable, shall be entitled to pursue resolution of claims and Disputes within the state in which they reside, to the extent required under that state's law. For such claims and Disputes brought in such other state, to the extent allowed by that state's law, all other terms of the Dispute Resolution Agreement shall apply to such claim or Dispute, including, without limitation, the mutual obligation to arbitrate and/or litigate claims and Disputes on an individual basis.

C. CLASS ACTION WAIVER

TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES (INCLUDING THE RELATED PARTIES) AGREE THAT EACH PARTY MAY BRING CLAIMS AND DISPUTES AGAINST THE OTHER PARTY ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, REPRESENTATIVE, OR COLLECTIVE PROCEEDING, INCLUDING, WITHOUT LIMITATION, SUCH PROCEEDINGS BROUGHT IN FEDERAL OR STATE COURT.

66. COOPERATION

If an Associate receives a request for documents and/or information from USANA arising out of a dispute between USANA and any current or former Associate, Associate must respond to the request accurately and truthfully and produce all requested information and/or documents within (14) days.

67. DEFINITIONS

Affiliate: An independent contractor authorized by the Company under the Agreement to purchase, Promote, and resell Products to Customers and participate in the Company's Affiliate Commission Plan. An Affiliate's relationship to the Company is governed by the Agreement.

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

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

Associate: An independent contractor authorized by the Company under the Agreement to purchase and re-sell Products, recruit other Associates, and participate in the Company's Compensation Plan. An Associate's relationship to the Company is governed by the **Agreement**. For purposes of enforcing and/or interpreting the terms of these Terms & Policies, the term "Associate" shall be interpreted to include any corporation, partnership, or DBA associated with the Associate.

Auto Order Price: Ten (10) percent 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 Activity: Any training, promotion of Product or the Business Opportunity, and/or Recruiting.

Business Center: The center of an Associate'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 utilized by the Company that outlines the details and requirements of the compensation structure for Associates.

Competing Direct Sales Company: A Direct Sales company, including a company in any state of formation, including conceptual, that sells or intends to sell 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 Organization: Associates who are not directly above or below a particular Associate in his/her Placement line of Sponsorship.

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

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

Domestic Partner: An unrelated and unmarried person who shares common living quarters with an Associate and lives in a committed, intimate relationship that is not legally defined as marriage by the state in which the partners reside.

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

Enrollment (Enroll): 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 a Associate 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 authorized to re-sell product and do not participate in the Compensation Plan.

Products: The products Associates are authorized 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 65.

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: The Associate who brings another Associate into the USANA Opportunity.

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

Upline: The direct line of Associates placed in the sales organization above an Associate.

USANA or Company: USANA Health Sciences, Inc., a Utah corporation.

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.

USANA is a member of the Direct Selling Association and provides certain assurances under the [DSA Code of Ethics](#).



[USANA.com](https://usana.com)

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