

POLICIES AND PROCEDURES TABLE OF CONTENTS

SECTION 1 - WAIVER

Waiver	1.1
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SECTION 2 – BECOMING AN INDEPENDENT Business Owner

Code of Ethics.....	2.1
Requirements to Become an Independent (Distributor) Business Owner.....	2.2
Website Hosting Fee.....	2.3
Independent (Distributor) Business Owner Benefits.....	2.4
Renewal of Your isXperia Business.....	2.5

SECTION 3 - OPERATING AN ISXPERIA BUSINESS

Adherence to the isXperia Marketing and Compensation Plan.....	3.1
Advertising.....	3.2
In General.....	3.2.1
Trademarks and Copyrights.....	3.2.2
Media and Media Inquiries.....	3.2.3
Enrolling Materials.....	3.2.4
Advertising Guidelines.....	3.2.5
Sample Ads and Phrases.....	3.2.6
isXperia Event System.....	3.2.7
Changes to the isXperia Business.....	3.3
In General.....	3.3.1
Addition of Co-Applicants.....	3.3.2
Change of Sponsor and Placement.....	3.3.3
Cancellation, Termination and Re- Application.....	3.3.4
Unauthorized Claims by Independent Business Owner.....	3.4
Indemnification.....	3.4.1
Product Claims.....	3.4.2
Income Claims.....	3.4.3
Commercial Outlets.....	3.5
Trade Shows and Expositions.....	3.5.1

Conflict of Interest 3.6

Unauthorized Recruiting and Sales 3.6.1

Non-Solicitation of isXperia Independent Business Owners and Customers 3.6.2

Genealogies and Downline Activity Reports 3.6.3

Corporations, Partnerships and Trusts 3.7

Cross-Line Sponsoring..... 3.8

Errors or Questions..... 3.9

Excess Inventory Purchases Prohibited 3.10

Governmental Approval or Endorsement..... 3.11

Holding Applications or Orders..... 3.12

Identification 3.13

Income Taxes 3.14

Independent Contractor Status..... 3.15

Insurance 3.16

Business Pursuit Coverage..... 3.16.1

Product Liability Coverage..... 3.16.2

International Marketing 3.17

Laws and Ordinances..... 3.18

Compliance with Federal, State and Local Laws 3.18.1

Home-based Business Statutes..... 3.18.2

Minors..... 3.19

One isXperia Business 3.20

Married Couple Exception 3.20.1

If Independent Business Owners Marry 3.20.2

Actions of Household Members or Affiliated Individuals..... 3.20.3

Re-Packaging and Re-labeling Prohibited 3.21

Requests for Records..... 3.22

Sale, Transfer or Assignment of isXperia Business..... 3.23

Separation or Termination of an isXperia Business 3.24

Sponsoring 3.25

Succession..... 3.26

Transfer Upon Death of an Independent Business Owner 3.26.1

Transfer Upon Incapacitation of an Independent Business Owner..... 3.26.2

SECTION 4 - RESPONSIBILITIES OF INDEPENDENT Business OwnerS

Change of Address or Telephone Numbers.....	4.1
Ongoing Training	4.2
Ongoing Sales Responsibilities.....	4.3
Non-Disparagement.....	4.4
Reporting Policy Violations.....	4.5
Reviewing Policies and Procedures with Applicants	4.6
Unauthorized Communications.....	4.7
Release for Use of Photo, Audio, Video Image and/or Testimonial Endorsement.....	4.8

SECTION 5 - SALES REQUIREMENTS

Product Sales	5.1
No Price or Territory Restrictions	5.2

SECTION 6 - BONUSSES AND COMMISSIONS

Bonus and Commission Qualifications.....	6.1
Adjustment to Bonuses and Commissions	6.2
Credits	6.3

SECTION 7 - ORDERING

Sales Goals	7.1
isXperia Customers	7.1.1
Monthly Autoship Program (AS).....	7.1.2
Purchasing isXperia Products	7.2
General Order Policies	7.3
Shipping and Back-Order Policy.....	7.4
Confirmation of Order	7.5

SECTION 8 - PAYMENTS AND SHIPPING

Deposits	8.1
Insufficient Funds.....	8.2

Returned Checks.....	8.3
Restrictions on Third-Party Use of Credit Cards and Checking Accounts	8.4
Sales Taxes.....	8.5

SECTION 9 PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASES

Product Guarantee	9.1
Returns by Retail Customers to Independent Business Owners	9.1.1
Returns by Independent Business Owners (Products Returned by Personal Retail Customers to the Independent Business Owner.....	9.1.2
Returns by Customers Directly to isXperia.....	9.1.3
Returns by Independent Business Owners (Personal Consumption Products Only)	9.1.4
Returns by Independent Business Owners upon Resignation.....	9.1.5
Procedures for Returns	9.2

SECTION 10 - INACTIVITY AND CANCELLATION

Effect of Cancellation.....	10.1
Inactive Status	10.2
Involuntary Cancellation.....	10.3
Voluntary Cancellation.....	10.4
Non-Renewal	10.4.1

SECTION 11 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

Disciplinary Sanctions.....	11.1
Grievances and Complaints.....	11.2
Dispute Resolution Board.....	11.3
Appeals of Involuntary Termination	11.3.1
Arbitration	11.4
Governing Law, Jurisdiction and Venue	11.5

SECTION 12 - GLOSSARY OF TERMS

Definitions.....	12.1
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SECTION 1 – WAIVER

1.1 | Waiver

The company, hereafter referred to as, isXperia never gives up its right to insist on compliance with its Agreements and with the applicable laws governing the conduct of a business. No failure of isXperia to exercise any right or power under the Agreement or to insist upon strict compliance by an Independent (Distributor) Business Owner with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of isXperia's right to demand exact compliance with the Agreement. An authorized officer of isXperia can affect waiver by isXperia only in writing. isXperia's waiver of any particular breach by an Independent (Distributor) Business Owner shall not affect or impair isXperia's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Independent Business Owner. Nor shall any delay or omission by isXperia to exercise any right arising from a breach affects or impairs isXperia's rights as to that or any subsequent breach. The existence of any claim or cause of action of an Independent (Distributor) Business Owner against isXperia shall not constitute a defense to isXperia's enforcement of any term or provision of the Agreement. The titles and headings to these policies are for reference purposes only, and do not constitute, and shall not be construed as substantive terms of these Policies. isXperia reserves the right to amend the terms and conditions of these Policies and Procedures and the Marketing and Compensation Plan at any time, as deemed necessary without prior notice and, Independent (Distributor) Business Owner agrees to abide by said changes or submit their resignation within ten (10) days of publication. Any Amendments will be binding on all Independent Business Owners upon notification of such amendments through any of isXperia's official channels of communication, to include but not limited to, Independent (Distributor) Business Owner e-mail blasts and postings to the isXperia Websites.

SECTION 2 – BECOMING AN INDEPENDENT Business Owner

2.1 | Code of Ethics

I will deal with others honestly and fairly at all times.

I will be truthful in my representation of isXperia products making no medical or exaggerated health claims; clearly stating all terms of the sale. I will be respectful of every person I meet while doing my isXperia business. I will correctly represent the

isXperia income potential represented therein. I understand that any misrepresentation could result in termination of my Independent (Distributor) Business Owner status.

At all times, I will conduct myself and my business in an ethical, moral, legal and financially sound manner. I will not engage in activities that would bring disrespect to isXperia, my independent business or, to me.

2.2 | Requirements to Become an Independent Business Owner

To become an isXperia Independent Business Owner, each applicant must meet all of the following criteria:

- a. Be of legal age in his or her state of residence.
- b. Possess a valid Social Security Number or Federal Tax ID number. (Work Permits allow SSN but not business ownership.)
- c. Submit a properly executed Independent (Distributor) Business Owner Application and Agreement to isXperia. Online Applications are accepted as originals. However, a signed application must be mailed or faxed to isXperia within 30 days of joining. Applications not received by the isXperia home office within 30 days will result in commission checks being held from the sponsoring Independent (Distributor) Business Owner until it is received.
- d. All Business Owners are required to purchase an Independent (Distributor) Business Owner Pack PLUS pay a one time enrollment fee of \$39.95.

The company reserves the right to reject any application to become an Independent (Distributor) Business Owner or to reject the renewal of an existing Independent Business Owner. This rejection could be due to violations of these Policies and Procedures.

2.3 – Websites

All Independent Business Owners have access to all available isXperia websites at no additional fee.

2.4 – Independent (Distributor) Business Owner Benefits

Once isXperia has approved an Independent (Distributor) Business Owner Application and Agreement, all benefits of the isXperia Marketing and Compensation Program and the Independent (Distributor) Business Owner Agreement are available to the new Independent Business Owner. These benefits include the right to:

- a. Purchase isXperia products and services at the discounted Independent (Distributor) Business Owner price.
- b. Sell isXperia products and services at Retail and earn profits from these sales.
- c. Participate in the isXperia Marketing and Compensation Program (receive bonuses and commissions, if qualified).
- d. Sponsor and enroll other individuals as Independent Business Owners into the isXperia business and, thereby, build a sales organization and progress through the levels of the isXperia Marketing and Compensation Program.
- e. Receive periodic isXperia literature and other isXperia communications.
- f. Participate in isXperia sponsored events that include: support, training, motivation, and recognition functions, upon payment of appropriate fees, if applicable. Participate in promotional and incentive based contests and programs sponsored by isXperia.

2.5 – Renewal of Your isXperia Business

The term of the Independent (Distributor) Business Owner Agreement is one year from the date of its acceptance by isXperia. Independent Business Owners must renew their Independent (Distributor) Business Owner Agreement each year by paying an annual fee in the amount of \$39.95 within 30 days of the anniversary date of their Independent (Distributor) Business Owner Agreement. If the fee is not paid within 30 days after the expiration of the current term of the Independent (Distributor) Business Owner Agreement, the Independent (Distributor) Business Owner will not be eligible to renew the Agreement. The Independent (Distributor) Business Owner will lose all rights under the Independent (Distributor) Business Owner Agreement and the isXperia Marketing and Compensation Program.

SECTION 3 – OPERATING AN ISXPERIA BUSINESS

3.1 – Adherence to the isXperia Marketing and Compensation Plan

Independent Business Owners must adhere to the terms of the isXperia Marketing and Compensation Program as set forth in these Policies and Procedures. Independent Business Owners shall not offer the isXperia opportunity through, or in combination with, any other system, program, or method of marketing other than specifically stated in these Policies and Procedures. Independent Business Owners shall not require or encourage other current or prospective Customers or Independent Business Owners to participate in isXperia in any manner that varies from the program as set forth in these Policies and Procedures. Independent Business Owners shall not require or encourage other current or prospective Customers or Independent Business Owners to execute any agreement or contract other than isXperia agreements and contracts in order to become an isXperia Independent Business Owner. Independent Business Owners shall NOT require or encourage current or prospective Customers or Independent Business Owners to make any purchase from, or payment to, any individual or other entity to participate in the isXperia Marketing and Compensation Program other than those

purchases or payments identified as recommended or required in these Policies and Procedures.

3.2 – Advertising

3.2.1 – In General

In the conduct of his or her business, the Independent (Distributor) Business Owner shall safeguard and promote the reputation of isXperia and its products and services. The marketing and promotion of isXperia, the isXperia opportunity, the isXperia Marketing and Compensation Program, isXperia products and services shall be consistent with the public interest, and will avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices at all times. To promote the products, services and opportunities isXperia offers, Independent Business Owners must only use the sales aids and support materials produced and or approved by isXperia. isXperia has carefully designed its products, product labels, isXperia Marketing and Compensation Program and promotional materials and checked them for legal compliance. This is done to ensure that each aspect of isXperia is fair, standard throughout, truthful, substantiated, and complies with the vast and complex legal requirements of Federal, State and Local laws. For this reason, Independent Business Owners are strictly prohibited from developing their own sales aids, promotional materials and other literature without the express written consent of isXperia. Independent Business Owners agree to use all promotional materials and other literature for Independent (Distributor) Business Owner training purpose only, not for public use.

3.2.2. – Trademarks and Copyrights

The name of isXperia and other names as adopted by isXperia are proprietary trade names, trademarks and service marks of isXperia. These marks are supplied to Independent Business Owners for use only in an expressly authorized manner. Use of the isXperia name on any item not produced by the company is prohibited except printed as follows:

- a. [Independent Business Owner's Personal or Business Name], an Independent (Distributor) Business Owner of isXperia
- b. isXperia Independent Business Business Owner

Independent Business Owners may also list themselves as an "Independent (Distributor) Business Owner of isXperia" in the white or yellow pages of a telephone directory under their name or their DBA (Doing Business As) name only. No Independent (Distributor) Business Owner will place telephone directory display ads using isXperia's name or logo. Said policy also applies to the Internet. Independent Business Owners shall not answer the telephone: "isXperia," "isXperia LLC" or in any manner leading the caller to believe he or she reached the corporate offices of isXperia. Independent Business Owners shall not use isXperia's trade name or any of its trademarks on their business or personal checking accounts. Independent Business Owners may imprint business checks as being an "Independent (Distributor) Business Owner of isXperia." Independent Business Owners are not permitted to "create" their own business card or letterhead graphics if isXperia trade name and or trademarks are used. Only approved isXperia graphics versions and wording are permitted. Letterhead must be ordered from isXperia's licensed independent contractor; or it must be produced using isXperia's graphics "slick" for business cards and stationary as supplied by isXperia, to include the words "Independent Business Owner" on stationery and business cards. Independent Business Owners may indicate their isXperia pin level title under their name; however, must still indicate "Independent Business Owner." isXperia's marketing alliances may not be listed on any business cards or stationary. These policies also apply to any signage produced by Independent Business Owners. Independent Business Owners may not produce for sale any recorded company events or speeches without specific prior written consent from isXperia. Independent Business Owners shall not reproduce for sale, distribution or for personal use any recording of company-produced audio or video taped presentations.

3.2.3 – Media and Media Inquiries

Independent Business Owners are prohibited from responding to media inquiries regarding isXperia, its products or services or their independent isXperia business. All inquiries by any media must immediately be referred to isXperia's Compliance Department. isXperia employs a professional staff responsible for replying to these inquiries. This policy assures accurate and consistent information to the public.

3.2.4 – Enrolling Materials

Independent Business Owners may place advertisements or promotional materials for the purpose of enrolling new Independent Business Owners and customers. Said materials are limited to advertisements for selling products or services and enrolling, including advertisements, voice messages, Fax-on-Demand, signage, printed correspondence, and electronic distribution. Before any such material can be used, it must be submitted for written approval to isXperia. Enrolling material shall not contain misleading, unethical or exaggerated information and must specifically adhere to the guidelines set forth in Section 3.2.5. All materials are in constant review by isXperia's Legal and Compliance Departments, as well as Federal and State regulatory agencies. Violation of any of isXperia's guidelines will result in disciplinary action. Advertisements must be placed in the appropriate sections of all media. Advertisements shall not be placed under any heading that indicates they are for employment. In addition to not using income claims, advertisements should be clear that commissions are paid on product purchases, not enrollments, and ads shall never indicate large earnings are easy. It must be clear that income is directly proportionate to effort.

3.2.5 – Advertising Guidelines

The following guidelines will be followed by Independent Business Owners to protect the isXperia opportunity. These guidelines assist in preparing material and are in addition to guidelines expressed elsewhere in these Policies and Procedures. These guidelines pertain to all advertising, including "blind ads" (ads that do not specifically mention isXperia). Fraudulent inducement in ads will not be tolerated by isXperia and will be cause for immediate suspension and or termination. Independent Business Owners shall refrain from directly or indirectly: Representing the capability of Independent Business Owners in multilevel or network marketing businesses, including, but not limited to the isXperia Compensation Plan, to make a profit, without simultaneously disclosing and presenting:

That not all Independent Business Owners can make money in isXperia; and,

That no one can be guaranteed success as an isXperia Independent Business Owner. Independent Business Owners must not misrepresent the income levels, earnings, product sales, profits or payments that a person may reasonably expect to earn, generate, or receive as an isXperia Independent Business Owner. Independent Business Owners shall not represent the opportunity to participate in the isXperia Sales Program as employment or as a salaried position with guaranteed income. isXperia will enforce the following policies concerning advertising set forth as follows:

isXperia Independent Business Owners are independent contractors and all incomes are a result of personal effort. Any and all advertisements must be factual. The stating of any exaggerated claims or misleading information will jeopardize an Independent Business Owner's Business Ownership. If income of any kind is mentioned in an advertisement, it must represent actual income earned and it must include the word "commissions" so that it is not interpreted as any form of guaranteed income; verbiage such as "I earned (documented income) in commissions last month" may be used if documented, but terms implying consistent income such as "monthly" or "yearly" may not be included unless this consistency is documented; and if income is included, terms such as "possible" or "potential" may not be used as these terms infer a potential for salaried earnings.

Any advertising which promotes, represents or implies salaried positions, management positions, hourly wages, full or part-time, or guaranteed incomes is considered misleading and is prohibited. The isXperia opportunity is not a job and may not be presented as such. Terms such as "manager trainee," "management positions available," "travel provided," "call for interview," "positions available," "now hiring," and other misleading statements are not allowed as these imply employment.

isXperia Independent Business Owners are independent contractors and advertising or communication otherwise is a violation of the isXperia Independent (Distributor) Business Owner Agreement.

In addition, Independent Business Owners must not:

Misrepresent the capabilities of any isXperia product.

Misrepresent the nature, validity or status of any testing of an isXperia product or the meaning or status of any government approval or regulation.

Allow or condone, by action or by words, the use, production, marketing or distribution, by sale or otherwise, of Independent (Distributor) Business Owner produced sales aids.

Falsely represent that an Independent (Distributor) Business Owner is employed by isXperia in order to aid that Independent (Distributor) Business Owner to obtain credit.

Run any advertising that may include income claims. The names of any of isXperia's marketing alliances may not be used specifically in any ad. Refer to the alliances as providers of services and travel benefits ONLY.

Copying of any company-produced materials (brochures, tapes, and catalogs) without prior written approval from isXperia is prohibited.

Reproduction of previously published articles or books is prohibited.

Stating Independent Business Owners are financial partners with isXperia or any of isXperia's marketing alliances is prohibited.

The following phrases cannot be used when describing the isXperia opportunity in ads or elsewhere:

"Investment", "Retirement Plan", "Business Model", "Business Opportunity", "Return on Investment", "ROI"

Products or Services not currently offered by isXperia cannot be promoted or marketed by any Independent (Distributor) Business Owner without previous written permission from isXperia.

Advertising on radio or television by an Independent (Distributor) Business Owner is prohibited without written authorization from the Company.

Claims as to therapeutic or curative properties of any isXperia products are prohibited.

Independent Business Owners will not use the name "isXperia" in any advertisement without simultaneously and conspicuously also having, "[Independent (Distributor) Business Owner Name/DBA], An Independent (Distributor) Business Owner of isXperia."

Advertisements may not be placed in commercial or retail establishments. Note: Many states have "Business Opportunity" laws that have specific and legal connotations, unrelated to what our Independent Business Owners talk about when referring to isXperia as a "business opportunity." To avoid confusion, isXperia asks its Independent Business Owners not to refer to isXperia as a "Business Opportunity." You may say it is a home-based business or a "great opportunity."

3.2.6 – Sample Ads and Phrases

The guidelines expressed in Section 3.2.5 were established to protect the opportunity for all Independent Business Owners. They are not meant to restrain the Independent (Distributor) Business Owner from conducting his or her business in a fair, truthful and profitable manner. Because the majority of the above guidelines represent policies and procedures that prohibit certain actions, isXperia has developed some examples of phrases and advertisements that may be used by Independent Business Owners if desired. These suggestions are available on the isXperia website and are constantly updated to ensure Independent Business Owners are in compliance with Federal, State and Local regulations. The only locations for "approved" advertising examples are here and on the isXperia website. This sample list includes complete classified ads that must be used in their entirety with the only exception being your contact information. The list includes phrases that have specified limited use. Any violation of the approved use of these sample ads or phrases will result in disciplinary action, up to and including termination.

Corporate Approved Ads

The following ads are some ads that may be used in any type of Ad Program or Marketing campaign. You must use "car program" or "car incentive" when speaking of the car allowance, not "free car". You CANNOT insinuate

that this is for a job in any way.

INTERNET/E-Commerce self-employment opportunity.

Health & Nutrition...The Best Opportunity Ever.

WAITING FOR THE RIGHT PRODUCT? MONEY? OPPORTUNITY?

ARE YOU: Serious? Hungry? Teachable?

Internet Marketing.

LIFE IS TOO SHORT! If you are not making as much as you would like, call me.

Sales/Marketing Co. Expanding, Seeking top level people will train, commission only sales. Serious inquiries only.

Next Generation Online/Offline Marketing proven. Serious inquires only.

Expansion: Florida Based Company expanding into this market. Commissions only.

Realtors: You are only as good as your last sale. Tired of starting over? Want steady work and remuneration?

Second Income: Create a second income that can exceed your first.

Insurance Agents: Not earning enough recurring income? Work in your field with greater rewards, Call now.

White Collar Blues? Ready for a Change?

Ambitious? Work for yourself for once, Network Marketing is a billion \$ industry. We train, serious inquires only.

Taxes out of control? Own your own business and save. Serious inquiries only.

Network Marketers - See where the top guns are going call now.

Squeezed out of a job? Start your own business. Serious inquiries only.

Rich Dad Poor Dad readers. Get in the recommended arena. Call now.

LAYOFFS - They come and they go. Stop being a corporate yo-yo, work for yourself.

Looking for Options? Career-Education-Family-Vacation/Leisure-Financial. Find yours today.

WILL YOUR JOB Provide the lifestyle you really want? Discover a different way with your own business.

3.2.7 – isXperia Event System

The following event system has been set in place by the company regulatory advisors and management team and will be followed. This system is designed to bring the training to Independent Business Owners in their geographical area versus traveling long distances. This event system shall not be altered or changed by any Independent Business Owner. Corporate sponsored Event, an event sponsored by Corporate, not by the Independent Business Owners. This event addresses regulatory issues, advanced training, product training, and self improvement trainings. Regional Trainers are appointed by Corporate, based on, but not limited to success in corporate America, success in the network marketing industry, participation in the Corporate sponsored leadership programs, meetings, events, conference training calls, leadership and speaking skills, compliance of Policies and Procedures and Corporate established event systems. National Events – Twice a year. Location and cost will vary. Regional Events – Will be announced periodically and will be product-based trainings, new product announcements and a time for additional corporate excitement. The guidelines for the Event System are mandatory. This is a Company established Event System. No events other than those listed, no events with charges that vary from those listed, may be conducted without prior written consent from isXperia. The speaker line-up and agenda must be approved by isXperia.

3.3 – Changes to the isXperia Business

3.3.1 – In General

Each Independent (Distributor) Business Owner will immediately notify isXperia of any changes to the information contained on the Independent Business Owner's Application and Agreement. Independent Business Owners may modify their existing Independent (Distributor) Business Owner Agreement, i.e., change Social Security Number to Federal ID Number, or change the form of ownership from an individual proprietorship to a business entity owned by the Independent Business Owner, by submitting a written request, a properly executed Independent (Distributor) Business Owner Application and Agreement, and appropriate supporting documentation. If the form of the business is changed from a sole proprietorship to a corporation, partnership or trust, the original Independent (Distributor) Business Owner must submit a Corporation, Partnership, Trust or DBA Form, a copy of the Articles of Incorporation or a copy of the FEIN number issued by the IRS, along with the notification advising the company of said change.

3.3.2 – Addition of Co-Applicants

When adding a co-applicant, either an individual or a business entity, to an existing isXperia business, the Company requires both a written request, as well as a completed Independent (Distributor) Business Owner Application and agreement, containing the applicant's and co-applicant's Social Security Numbers or Federal ID numbers, if applicable and signatures. To prevent the circumvention of the section herein regarding transfers and assignments of isXperia business, the original applicant must remain as a party to the original Independent (Distributor) Business Owner Application and Agreement. The original Independent (Distributor) Business Owner may not terminate his or her relationship with the Company unless the Independent (Distributor) Business Owner Agreement, and the isXperia business, is terminated in its entirety. If the original Independent (Distributor) Business Owner chooses termination of his or her relationship with the Company, he or she must transfer or assign his or her business in accordance with these Policies & Procedures. All bonus and commission checks will be sent to the address of record of the original Independent Business Owner.

3.3.3 – Change of Sponsor & Placement

To protect the integrity of all marketing organizations and safeguard the hard work of all Independent Business Owners, isXperia strongly discourages changes in sponsorship. Maintaining the integrity of Sponsorship is critical for the success of every Independent (Distributor) Business Owner and marketing organization. The transfer of an isXperia business from one sponsor to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to the Compliance Department and must include the reason for the transfer. Transfers will be considered only in the following two (2) Circumstances:

- a. In cases involving fraudulent inducement or unethical sponsoring, an Independent (Distributor) Business Owner may request that he or she be transferred to another organization with his or her entire marketing organization intact. All requests for transfer alleging fraudulent enrollment practices shall be evaluated on a case-by-case basis, with isXperia having the final decision whether such infraction occurred.
- b. In cases where the enrolling Independent (Distributor) Business Owner accidentally places the newly sponsored person in the incorrect position. These changes must be approved by the Compliance Department and MUST be requested within seven (7) days of the enrollment. The Independent (Distributor) Business Owner seeking to transfer must submit a properly completed and fully executed Sponsorship Transfer Form, from the isXperia website and fax it to: 707-922-7073 to the attention of the Compliance Department, and if so directed by Compliance, must include the written approval of seven direct upline Active Independent Business Owners along with the Sponsor's signature (All signatures must be notarized). If the transferring Independent (Distributor) Business Owner wants to move any of the Independent Business Owners in his or her marketing organization, each Downline Independent (Distributor) Business Owner also must complete a Sponsorship Transfer Form and return it to isXperia. Downline Independent Business Owners will not be moved with the transferring Independent (Distributor) Business Owner unless all requirements are met. Transferring Independent Business Owners must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by isXperia for processing and verifying change requests. Final approval rests with isXperia. See form, for more details.

3.3.4 – Cancellation, Termination and Re-Application

An Independent (Distributor) Business Owner may legitimately change organizations by voluntarily canceling or terminating his or her isXperia business, see Section 10.4 and remaining inactive for six (6) calendar months. Following the six-month period after cancellation or termination, the former Independent (Distributor) Business Owner may re-apply under a new Sponsor and new organizational leg.

3.4 – Unauthorized Claims by Independent Business Owner

3.4.1 – Indemnification

An Independent (Distributor) Business Owner is fully responsible for all of his or her verbal and written statements made regarding isXperia products and services, and the isXperia Marketing and Compensation Program which are not expressly contained in current, official isXperia materials. Independent Business Owners agree to indemnify isXperia and hold it harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by isXperia as a result of the Independent Business Owners unauthorized representations. isXperia Certified Trainers have the right to attend any isXperia related meeting at no charge as an ongoing responsibility of the Certified Trainer Program.

3.4.2 – Product Claims

No product claims may be made except those contained in current isXperia literature. No claims as to therapeutic or curative properties of any products offered by isXperia may be made except those contained in current, official isXperia literature which are thoroughly sourced. Independent Business Owners will not claim isXperia products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases or illnesses. Such claims are a violation of isXperia policies, and violate regulations of the United States Food and Drug Administration.

3.4.3 – Income Claims

In their enthusiasm to enroll Prospective Independent Business Owners, some Independent Business Owners occasionally are tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive, as new Independent Business Owners become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At isXperia, we firmly believe that the isXperia income potential and compensation plan is great enough to be highly attractive, without reporting the earnings of others. Moreover, the Federal Trade Commission and various states have laws or regulations governing or prohibiting various types of income and testimonials by persons engaged in network marketing.

3.5 – Commercial Outlets

isXperia strongly encourages the retailing and selling of its products and services through person-to-person contact. In an effort to reinforce this method of marketing and to help provide a standard of fairness for its Independent (Distributor) Business Owner base, Independent Business Owners may not display or sell isXperia products, services or literature in any retail establishment (the Internet is considered a retail outlet) without prior specific written consent from isXperia. However, it is permissible to promote and take orders for isXperia products and services in professional services offices or similar non-retail establishments.

3.5.1 – Trade Shows and Expositions

Independent Business Owners may display and or sell isXperia products at trade shows and professional expositions; however, the professional image of isXperia must be considered. Please see the section regarding advertising for policies regarding advertising of, or at, said events.

3.6 – Conflict of Interest

3.6.1 – Unauthorized Recruiting and Sales

Independent Business Owners are expressly prohibited from unauthorized recruiting, which includes the

following:

Actual or attempted recruitment or enrollment of isXperia Customers or Independent Business Owners for any other multilevel marketing business ventures, either directly or through a third party. This includes, but is not limited to, presenting or assisting in the presentation of other multilevel marketing business ventures.

Producing any literature, tapes or promotional material of any nature for another multilevel marketing business which is used by the Independent (Distributor) Business Owner or any third person to recruit isXperia Customers or Independent Business Owners for that business venture.

Selling, offering to sell or promoting non-isXperia products or services to isXperia Customers or Independent Business Owners. Any product or service in the same generic category as an isXperia product or service is deemed to be competing; e.g., any dietary supplement is in the same generic category as isXperia's dietary supplements, and is, therefore, a competing product, regardless of differences in cost, quality, ingredients or nutrient content.

Offering any non-isXperia products, services or business plan (by themselves or in conjunction with any isXperia products) at any isXperia meeting, seminar, lunch, convention or other isXperia function.

3.6.2 – Non-solicitation of isXperia Independent Business Owners and Customers

For a period of one year after the cancellation (cancellation may be either voluntary, involuntary, through non-renewal, inactivity or termination) of an individual or entity's Independent (Distributor) Business Owner Agreement, the ex-Independent (Distributor) Business Owner shall not directly or through a third party solicit any isXperia Independent (Distributor) Business Owner or customer for any other direct sales, network marketing or multilevel marketing program or opportunity. This provision shall survive the termination or cancellation of the Independent Business Owners Agreement. If the solicitation of the Independent (Distributor) Business Owner or customer is performed by a third party outside the Independent (Distributor) Business Owner Agreement, isXperia will undertake any and all legal actions necessary to be compensated for the irreparable harm caused by the unauthorized solicitation.

3.6.3 – Genealogies and Downline Activity Reports

All Genealogies and Downline Activity Reports are confidential and constitute proprietary information of isXperia. Genealogies and downline activity reports are provided to active Independent Business Owners only in the strictest confidence. These reports are available to Independent Business Owners for the sole purpose of assisting Independent Business Owners and their respective downline organizations in the development of their isXperia business. Independent Business Owners will use these reports to manage, motivate, and train their downline Independent Business Owners. During the term of an Independent (Distributor) Business Owner Agreement and for a period of one year after the termination or expiration of the Independent (Distributor) Business Owner Agreement, for any reason whatsoever, the Independent (Distributor) Business Owner shall not, on his or her own behalf, or on behalf of any person, partnership, association, corporation or other entity:

Directly or indirectly disclose any information contained in any Genealogy or Downline Activity Report to any third party.

Use the information to compete with isXperia.

Recruit or solicit any Independent (Distributor) Business Owner or Customer of isXperia listed on any report or in any manner attempt to influence or induce any Independent (Distributor) Business Owner or Customer of isXperia to alter their business relationship with isXperia.

Use or disclose to any person, partnership, association, corporation or other entity any information contained in any Genealogy or Downline Activity Report. Conflict of Interest provisions shall survive the cancellation or termination of this Agreement. Upon demand by the Company, any current or former Independent (Distributor) Business Owner will return the original and all copies of Genealogies or Downline Activity Reports to the Company, representing that any and all copies have been returned. Any violation of Section 3.6.3 will result in Termination.

3.7 – Corporations, Partnerships and Trusts

A corporation, partnership or business trust (collectively referred to in this section as an “Entity”) may apply to be an isXperia Independent (Distributor) Business Owner by submitting its Certificate of Incorporation, Partnership Agreement or Trust documents (these documents are collectively referred to as the “Entity Documents”) to isXperia, to include a properly completed Corporation, Partnership, Trust or DBA Form, and an Independent (Distributor) Business Owner Application and Agreement. An isXperia business may change its status under the same Sponsor from an individual to a Partnership, Corporation or Trust or from one type of Entity to another. The Independent Business Owner(s) must provide the Entity Documents and submit a properly completed Corporation, Partnership, Trust or DBA Form to isXperia. The Corporation, Partnership, Trust or DBA form must be signed by all of the shareholders, partners or trustees. Members of the Entity are jointly and severally liable for any indebtedness or other obligation to isXperia. It is the responsibility of those persons involved in the Entity to conform to the laws of the State in which their entity is formed pertaining to the corporate, partnership or business trusts. All commission and bonus checks will be made out to the legal name of the business entity. When required, an FEIN must accompany the entity filing and name change with isXperia.

3.8 – Cross-Line Sponsoring

“Cross-line sponsoring” is defined as the enrollment of an individual or Entity that already has a Current Customer or Independent (Distributor) Business Owner Agreement on file with isXperia, or who had such an agreement within the preceding six calendar months, within a different line of sponsorship. Actual or attempted cross-group sponsoring is strictly prohibited. The use of a spouse or relative’s name, trade names, DBAs, assumed names, corporations, partnerships, trusts, Federal ID Numbers, or fictitious ID numbers to circumvent this policy is absolutely prohibited. Independent Business Owners may not demean, discredit or invalidate other isXperia Independent Business Owners in an attempt to entice another Independent (Distributor) Business Owner to become part of the first Independent Business Owners marketing organization. This policy shall not prohibit the transfer of an isXperia business in accordance with the appropriate section within these Policies & Procedures.

3.9 – Errors or Questions

In the event an Independent (Distributor) Business Owner has questions about, or believes any errors have been made regarding commissions, bonuses, downline activity reports, Auto Shipments or charges, the Independent Business Owners must notify isXperia within thirty (30) days of the date of the purported error or incident in question. isXperia will not be responsible for any errors, omissions or problems after thirty (30) days.

3.10 – Excess Inventory Purchases Prohibited

Independent Business Owners are not required to carry inventory of products or sales aids. isXperia ships product directly to the end consumer. isXperia does not permit more than two (2) of any one individual product that pays a fast start commission to be sold to a new Independent Business Owner, one for personal use and one for retail sales. In the event an Independent (Distributor) Business Owner has a large retail order to fill, it is highly recommended that isXperia drop ship to the customer.

3.11 – Governmental Approval or Endorsement

No Federal, State or Local regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Independent Business Owners shall not represent or imply isXperia or its isXperia Marketing and Compensation Program have been “approved,” “endorsed” or otherwise sanctioned by any government agency.

3.12 – Holding Applications or Orders

Independent Business Owners must not manipulate enrollments of new applicants and purchases of products. All Independent Business Owners applications and product orders must be sent to isXperia within 24 hours from the time they are executed.

3.13 – Identification

All Independent Business Owners will provide their Social Security Number or Federal Taxpayer Identification number to isXperia on the Independent (Distributor) Business Owner Application and Agreement. Upon enrollment, the company will provide a unique Independent (Distributor) Business Owner Identification Number to the Independent (Distributor) Business Owner for identification. This number is used to place orders and track commissions and bonuses. Commission check will not be sent to any Independent (Distributor) Business Owner with a missing or invalid Security Number or Federal Taxpayer Identification number.

3.14 – Income Taxes

isXperia provides an IRS Form 1099 MISC. (Non-employee Compensation) earnings statement to each Independent (Distributor) Business Owner who falls into one of the following categories:

Had earnings of over \$600 in the previous calendar year.

Made purchases during the previous calendar year in excess of \$5,000. An Independent (Distributor) Business Owner is responsible for paying Local, State, and Federal taxes on income generated as an Independent Business Owner. If an Independent (Distributor) Business Owner is tax exempt, the exempt Federal Tax Identification Number must be provided to isXperia.

3.15 – Independent Contractor Status

Independent Business Owners are independent contractors and are not purchasers of a franchise or a business opportunity. The agreement between isXperia and its Independent Business Owners does not create an employer/employee relationship, agency, partnership or joint venture between the Company and the Independent Business Owner. Independent Business Owners shall not be treated as employees for their services or for Federal, State or Local tax purposes. All Independent Business Owners are responsible for paying any applicable taxes due from all compensation earned as an Independent Business Owner. An Independent (Distributor) Business Owner has no authority (expressed or implied) to bind the company to any obligation. Each Independent (Distributor) Business Owner is encouraged to establish his or her own goals, hours and methods of sale, providing he or she complies with the terms of the Independent (Distributor) Business Owner Agreement, Policies and Procedures and any applicable laws.

3.16 – Insurance

Insurance (liability, business, or other) is not a requirement to be an Independent Business Owner, however, it is strongly suggested that as an Independent Business Owner's business grows, that the Independent (Distributor) Business Owner contact their insurance provider to determine whether their coverage is adequate.

3.16.1 – Business Pursuit Coverage

Independent Business Owners may arrange for adequate insurance for their business. Homeowner's insurance policies do not cover business-related injuries, the theft of or damage to product inventory or business equipment. Most times, coverage can often be accomplished with a simple "Business Pursuit" endorsement attached to your present homeowner's policy. Again, please contact your insurance provider for more detailed information.

3.16.2 – Product Liability Coverage

isXperia, in alliance with its vendors, maintains liability insurance to protect the Company and Independent Business Owners against product liability claims, but this does not cover deliberate misrepresentations by the Independent Business Owners.

3.17 – International Marketing

Because of critical legal and tax considerations, including, but not limited to, compliance with foreign laws regarding product approval, registration, regulations regarding ingredients, labeling, packaging, cautionary statements, taxes, literature content and language requirements, isXperia must limit the resale of isXperia products and services, and the presentation of the isXperia business to prospective Customers and Independent Business Owners located within the United States. Independent Business Owners are authorized to sell isXperia

products and services, and enroll Customers or Independent Business Owners only in the countries in which isXperia is authorized to conduct business, as announced in official company literature. isXperia products cannot be shipped into or sold in any foreign country for the purpose of resale, but May, subject to import laws of that country, be sold for personal consumption only. No Independent (Distributor) Business Owner may sell, give, transfer, import, export or distribute isXperia products or sales aids in any unauthorized country. No Independent (Distributor) Business Owner may, in any unauthorized country:

Conduct sales, enrollment or training meetings

Enroll or attempt to enroll potential Customers or Independent Business Owners

Conduct any other activity for the purpose of selling isXperia products, services or establishing a marketing organization, or promoting the isXperia opportunity.

3.18 – Laws and Ordinances

3.18.1 – Compliance with Federal, State, and Local Laws

Independent Business Owners shall comply with all Federal, State and Local laws in the conduct of their business. The violation or attempted violation of any such law or regulation, or fraudulent or deceptive conduct, shall be grounds for disciplinary action by isXperia. Although there are thousands of governing laws and statutes on the books in the numerous jurisdictions in which isXperia Independent Business Owners operate, there is one critical and relatively new federal law which requires specific publication in these Policies and Procedures: The FTC Do Not Call Registry. The penalties are significant (\$10,000 for each occurrence) and the statute also covers fax numbers, if registered. To quote from the FTC's website:

Q: Who is covered by the National Do Not Call Registry?

A: The National Do Not Call Registry applies to any plan, program or campaign to sell goods or services through interstate phone calls. This includes telemarketers who solicit consumers, often on behalf of third party sellers. It also includes sellers who provide, offer to provide, or arrange to provide goods or services to consumers in exchange for payment.

Q: What about an established business relationship?

A: A telemarketer or seller may call a consumer with whom it has an established business relationship for up to 18 months after the consumer's last purchase, delivery, or payment - even if the consumer's number is on the National Do Not Call Registry. In addition, a company may call a consumer for up to three months after the consumer makes an inquiry or submits an application to the company. And if a consumer has given a company written permission, the company may call even if the consumer's number is on the National Do Not Call Registry. One caveat: If a consumer asks a company not to call, the company may not call, even if there is an established business relationship. Indeed, a company may not call a consumer - regardless of whether the consumer's number is on the registry - if the consumer has asked to be put on the company's own Do Not Call list.

Q: How will I access the National Do Not Call Registry?

A: Online at www.telemarketing.donotcall.gov

3.18.2 –Home Based Business Statutes

Many cities and counties have laws regulating certain home-based businesses. Independent Business Owners must obey any applicable laws. If a city or county official notifies an Independent (Distributor) Business Owner an ordinance applies to him or her, the Independent (Distributor) Business Owner will be cooperative and immediately send a copy of the ordinance to the Compliance department of isXperia.

3.19 – Minors

A Minor is a person who is not of legal age (as recognized by the state or province in which they reside) to enter a legal and binding contract. Minors are, therefore, ineligible to participate as an Independent Business Owner, regardless of an adult with legal guardianship granting permission.

3.20 – One isXperia Business

An Independent (Distributor) Business Owner may operate or have an ownership interest, legal or equitable, in only one isXperia business. No individual may have, operate or receive compensation from more than one isXperia business. The Independent (Distributor) Business Owner Agreement is voided by isXperia if the Independent (Distributor) Business Owner or the family unit to which the Independent (Distributor) Business Owner belongs has previously signed an Independent (Distributor) Business Owner Agreement, unless the prior agreement expired or was terminated at least 6 calendar months prior thereto, or the Agreement represents the exception in Section 3.21.1.

3.20.1 – Married Couple Exception

The exceptions to the one business rule pertain to married couples and “life partners,” who may maintain a separate Independent (Distributor) Business Owner status. This exception only applies when one of the parties is in the direct line of sponsorship of the other. Both parties must be sponsored by the same Independent (Distributor) Business Owner that enrolled the first party a spouse (or life partner) may be directly placed under the other; however, one spouse (or Life partner) cannot sponsor the other. Both parties must complete an Independent (Distributor) Business Owner Agreement and both are then individually bound to the Policies and Procedures. See Section 3.24

3.20.2 – If Independent Business Owners Marry

Two possibilities exist regarding an isXperia business when two Independent Business Owners marry. Because of the marriage, the six-month waiting period explained in Section 3.3.4 may be waived with upline approval. The possibilities include:

They may maintain their current Business Ownerships. If one spouse is the Sponsor of the other, the Sponsor must be changed to the same Independent (Distributor) Business Owner that sponsored the first. Both spouses must be sponsored by the same Independent (Distributor) Business Owner that enrolled the first spouse so long as both are isXperia Independent Business Owners and neither belongs to any other network marketing or multilevel company.

One spouse may terminate or sell his or her isXperia business and become a co applicant with the other. See Section 3.23 regarding the sale of an isXperia business.

3.20.3 – Actions of Household Members or Affiliated Individuals

If any member of an Independent Business Owner’s immediate household engages in any activity, which, if performed by the Independent Business Owner, would violate any provision of the Agreement, such activity will be deemed a violation by the Independent Business Owner. isXperia will take disciplinary action pursuant to the Policies and Procedures against the Independent Business Owner. If any individual associated in any way with a Corporation, Partnership, Trust or other Entity (collectively “affiliated individual”) violates the Agreement, such action(s) will be deemed a violation by the Entity, and isXperia will take disciplinary action against said Entity.

3.21 – Re-packaging and Re-labeling Prohibited

Independent Business Owners will not re-package, re-label, refill or alter the labels on any isXperia products, information, materials or programs. isXperia products will be sold in their original containers. Re-labeling or re-packaging violates Federal and State laws, resulting in severe criminal penalties or isXperia sanctions as described in Section 11.1. Civil liability arises when, as a consequence of the re-packaging or re-labeling of products, the persons using the products suffer any type of injury or their property is damaged.

3.22 – Request for Records

Any request from an Independent (Distributor) Business Owner for copies or other records requires a fee of \$25. These fees cover the expenses of time required to research files, copies of said records and postage required for the records. Distribution by any service other than regular first-class mail will be an additional charge.

3.23 – Sale, Transfer or Assignment of isXperia Business

Although an isXperia business is a privately owned, independently operated business, the sale, transfer or assignment of an isXperia business is subject to certain limitations. If an Independent (Distributor) Business Owner wishes to sell, transfer or assign his or her isXperia business, the following criteria must be met:

Protection of the existing line of sponsorship must always be maintained so the isXperia business continues to be operated in that line of sponsorship.

The buyer or transferee must not be a current Independent Business Owner. If the buyer is an active isXperia Independent Business Owner, he or she must first terminate his or her isXperia business and remain inactive for six (6) full calendar months before becoming eligible for purchase, transfer, assignment or acquisition of any interest in the isXperia business.

Before the sale, transfer or assignment will be finalized and approved by isXperia, any debt obligations the selling Independent (Distributor) Business Owner has with isXperia must be satisfied. isXperia reserves the right to have the purchase funds placed in an isXperia escrow account for 90 days before the funds will be released to the seller.

The selling Independent (Distributor) Business Owner must be in good standing and not in violation of any of the terms of the Independent (Distributor) Business Owner Agreement or Policies and Procedures, to be eligible to sell, transfer or assign an isXperia Business.

No sale, assignment or transfer of any Independent (Distributor) Business Owner entity, or Independent (Distributor) Business Owner rights, shall be effective without the prior written consent of isXperia. All sales, transfers or assignments are at the sole discretion of isXperia.

Prior to consent, isXperia requires all documents of sale or transfer be signed and notarized by all interested parties of the sale, transfer or assignment, and submitted to isXperia for review and consent.

isXperia maintains the Right of First Refusal to purchase the said Independent (Distributor) Business Owner Business. In the event isXperia does purchase the Independent (Distributor) Business Owner business, any and all revenue earned by the Independent (Distributor) Business Owner business will go to the company.

If it is determined in the Company's sole discretion the Independent Business Owner's business was sold, transferred or assigned in an effort to circumvent compliance with the Agreement, the Policies and Procedures or the isXperia Marketing and Compensation Program, the sale, transfer or assignment shall be declared null and void. The Independent (Distributor) Business Owner business shall revert to the original Independent Business Owner, who shall be treated as if the sale, transfer, or assignment had never occurred. If necessary, and at the company's sole discretion, appropriate action, including termination, will be taken against the original Independent (Distributor) Business Owner to ensure compliance with the Independent (Distributor) Business Owner Agreement and the Policies and Procedures. isXperia shall not be liable nor responsible for any monies which may have been exchanged in the unauthorized sale of the Independent Business Owner's business.

isXperia will charge the selling Independent (Distributor) Business Owner a fee of \$100 as an administrative fee upon submission for any sale, transfer or assignment.

3.24 – Separation or Termination of an isXperia Business

isXperia Independent Business Owners may also operate their isXperia business as a husband-wife partnership, regular Partnership, Corporation(s) or Trust(s). If a marriage ends in divorce, or a Corporation, Partnership or Trust (the latter three are collectively referred to herein as "Entities") dissolves, arrangements shall be made assuring any separation or division of the business is accomplished to not adversely affect the interests and income of other Independent Business Owners up or down the line of Sponsorship. If the separating parties fail to provide for the best interests of other Independent Business Owners and the Company, isXperia will involuntarily terminate the Independent (Distributor) Business Owner Agreement. During a pending of divorce or Entity Dissolution, the parties shall adopt one of the following methods of operation:

One of the parties may, with consent of the other(s), operate the isXperia business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees, authorize isXperia to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.

The parties may continue to operate the isXperia business jointly on a “business as usual” basis, whereupon all compensation paid by isXperia will be paid in the Joint names of the Independent Business Owners or in the name of the Entity, to be divided as the parties may independently agree between themselves. Under no circumstances will the downline organization of divorcing parties or that of an isXperia business formerly operated by two or more individuals as any form of Entity, be divided. Similarly, under no circumstances will isXperia split commission and bonus checks between divorcing parties or members of dissolving Entities. isXperia will recognize one downline organization and will issue one commission check per isXperia business, per commission cycle. Commission checks shall be issued to the same individual, joint names or to the entity. In the event parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business, the Independent (Distributor) Business Owner Agreement shall be involuntarily canceled. If a former spouse or a former Entity owner has relinquished all rights in his or her original isXperia business, said parties are thereafter free to enroll under any sponsor of their choosing, providing the waiting period requirement set forth in these Policies & Procedures is met. Said spouse or partner shall have no rights to any Independent Business Owners in his or her former organization or to any former Retail Customer. He or she must develop the new business in the same manner as any new Independent Business Owner.

3.25 – Sponsoring

All Independent Business Owners in good standing have the right to sponsor and enroll others in isXperia. Each prospective customer or Independent (Distributor) Business Owner has the ultimate right to choose his or her own sponsor. If two Independent Business Owners claim to be the sponsor of the same new Independent (Distributor) Business Owner or customer, the company shall regard the first application received by the company as controlling. Industry practice suggests that the first Independent (Distributor) Business Owner who actually works with a prospective Customer or Independent (Distributor) Business Owner as having first claim to sponsorship. Basic tenets of common sense and consideration will govern with isXperia Compliance Department having the final authority.

3.26 – Succession

Upon the death or incapacitation of an Independent Business Owner, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer meets legal requirements. An Independent (Distributor) Business Owner should consult an attorney to assist him or her in the preparation of a will or testamentary instrument. If an isXperia business is transferred by a will or other testamentary process, the beneficiary acquires both existing liability and the right to collect all bonuses and commissions of the deceased Independent Business Owner’s marketing organization, provided the below qualifications are met. If the heir so chooses, he or she may sell, transfer or assign the Independent (Distributor) Business Owner business according to policies, see Section 3.2.3. If the heir(s) choose to conduct the isXperia business, they must:

Execute an Independent (Distributor) Business Owner Agreement

Comply with terms and provisions of the Agreement

Meet all of the qualifications for the deceased Independent Business Owner’s status

The Benefactor must provide isXperia with an “address of record” to which all bonuses and commission checks will be sent. Bonus and commission checks of an isXperia business transferred pursuant to this section will be paid in a single check to the Benefactor

3.26.1 – Transfer upon Death of Independent Business Owner

To affect a testamentary transfer of an isXperia business, the successor must provide the following to isXperia:

- An original death certificate
- A notarized copy of the will or other instrument establishing the successor’s right to the isXperia business
- An executed Independent (Distributor) Business Owner Agreement

3.26.2 – Transfer upon Incapacitation of an Independent Business Owner

To affect a transfer of an isXperia business because of incapacity, the successor must provide the following to isXperia:

- A notarized copy of an appointment as trustee
- A notarized copy of the trust document or other documentation establishing the trustee’s right to administer the isXperia business
- An Independent (Distributor) Business Owner Agreement executed by the trustee

SECTION 4 – RESPONSIBILITIES OF INDEPENDENT Business Owner

4.1 – Change of Address or Telephone Numbers

To ensure timely delivery of products, support materials and commission checks, isXperia Files must be current. Street addresses are required for shipping as our shippers cannot deliver to a Post office box. Any change of address or telephone number shall be corrected under the “Update Profile” section of the online isXperia office. Updated information may also be mailed to isXperia’s Data Center. In order to guarantee proper delivery and data entry of the change, at least two weeks notice must be provided to isXperia on all changes made by mail.

4.2 – Ongoing Training

Any Independent (Distributor) Business Owner who sponsors another Independent (Distributor) Business Owner into isXperia must perform a bona fide supervisory function to ensure that his or her downline is properly operating his or her isXperia business. Independent Business Owners must have ongoing contact, communication and coaching supervision with the Independent Business Owners in their downline organizations. Examples include but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Independent Business Owners to isXperia meetings, training sessions and other functions. Upline Independent Business Owners also are responsible to motivate and train new Independent Business Owners in isXperia product knowledge, effective sales techniques, the isXperia Marketing and Compensation Program, and these Policies and Procedures. Independent Business Owners will monitor the Independent Business Owners in their downline organization to ensure downline Independent Business Owners do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every Independent (Distributor) Business Owner will provide documented evidence to isXperia of his or her ongoing fulfillment of the responsibilities of a Sponsor. Failure to do so can result in termination.

4.3 – Ongoing Sales Responsibilities

Regardless of their level of achievement, Independent Business Owners have an ongoing obligation to personally promote sales through the generation of new Customers and servicing their existing Customers. It is recommended that each Active Independent (Distributor) Business Owner and above maintain a minimum of five (5) active Retail Customers.

4.4 – Non-Disparagement

In setting the proper example for their downline, Independent Business Owners will not disparage other isXperia Independent Business Owners, isXperia’s products, isXperia’s Marketing and Compensation Program or the company’s employees.

4.5 – Reporting Policy Violations

Independent Business Owners observing a Policy violation by another Independent (Distributor) Business Owner should bring the violation directly to the attention of the Compliance Department. Details of the incident that includes, but are not limited to: date, number of occurrences, persons involved, and any supporting documentation, need to be in writing and mailed or faxed to the isXperia Compliance Department.

4.6 – Reviewing Policies and Procedures with Applicants

Independent Business Owners will review the most current version of the Policies and Procedures with individuals sponsored before applicant signs an Independent (Distributor) Business Owner Agreement.

4.7 – Unauthorized Communications

Any contact with isXperia’s Marketing Alliances, Vendors, Suppliers or Company associates outside the corporate workplace without isXperia’s prior written consent is strictly prohibited. Questions regarding any of these businesses may be directed to the Compliance Department.

4.8 – Release for use of Photo, Audio, Video Image, and/or Testimonial Endorsement

All isXperia Independent Business Owners hereby grant to isXperia, LLC, and its successors, assigns, employees and agents, the absolute and irrevocable right and permission, with respect to any photograph, audio and/or video picture taken of them, or in which they may be included with others, and with respect to any testimonial endorsement:

To use, reuse, broadcast, rebroadcast, publish, or republish such photo, audio, video, or endorsement, in all or in part, individually or in conjunction with any other photograph or video, or any other endorsement, in any current or future medium and for any purpose whatsoever, including (but not by way of limitation) marketing, advertising, promotion, and/or publicity; and,

In the case of visual representations, to copyright such photograph and/or video, in the original or as republished, in the name of isXperia, Inc., or in any other name. Independent Business Owners hereby confirm that the information given by them as a testimonial endorsement, or represented in a photograph, video or audio is true and accurate to the best of their knowledge. By submitting the testimonial, the Independent (Distributor) Business Owner hereby waives any right that they may have to inspect or approve the finished or unfinished product or products, the advertising copy, printed, recorded photographic or video matter which may be used in connection therewith, or the use to which it may be applied.

Independent Business Owners hereby release and discharge isXperia, Inc., and its and their successors, assigns, employees, and agents, from any and all liability, claim and/or demand arising out of or in connection with the creation and the use of the above-mentioned photograph, video, audio or endorsement, including any claim for defamation.

SECTION 5 – SALES REQUIREMENTS

5.1 – Product Sales

The isXperia Marketing and Compensation Program is based upon the sales of products and services to end consumers. Independent Business Owners must fulfill specified personal and downline organization retail sales requirements and meet responsibilities set forth in the Agreement, to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales requirements must be satisfied by Independent Business Owners to be eligible for commissions:

Independent Business Owners must satisfy their monthly Personal Bonus Volume requirements as stated in the isXperia Marketing and Compensation Program. Personal Volume shall include purchases made by the Independent (Distributor) Business Owner and purchases made by the Independent Business Owner’s Retail Customers.

A minimum of seventy percent (70%) of an Independent Business Owner’s personal orders must be used or sold to his or her personal Retail Customers. Independent Business Owners may not purchase additional product until at least seventy percent (70%) of the previous order has been used or sold to end consumers.

Independent Business Owners must develop or maintain at least five (5) Customers every month. These customers are Retail Customers.

Independent Business Owners are required to furnish Retail Customers with a copy of an official isXperia receipt at the time of the sale. These receipts outline the Customer Refund Warranty for isXperia products, as well as any consumer protection rights afforded by Federal or State laws. Sales receipts are found in the Back Office.

Independent Business Owners will maintain all retail sales receipts for a period of two years. isXperia will, from time to time, randomly contact Independent Business Owners for copies of retail receipts. Complying with such a request is mandatory and failure to provide the required retail receipts will result in disciplinary action by the Compliance Department. In the normal course of business, isXperia will maintain records documenting the purchases of an Independent Business Owner's Customers.

5.2 – No Price or Territory Restrictions

Independent Business Owners are not required to sell isXperia products at the suggested retail prices set by isXperia on the isXperia price list. Independent Business Owners may sell isXperia products at any reasonable price they choose. There are no exclusive territories granted to anyone.

SECTION 6 – BONUSSES AND COMMISSIONS

6.1 – Bonus and Commission Qualification

An Independent (Distributor) Business Owner must be active and in compliance with the Agreement to qualify for bonuses and commissions. isXperia shall pay commissions to said Independent (Distributor) Business Owner in accordance with the isXperia Marketing and Compensation Program. Unless specified differently, bonuses and commissions are paid each Wednesday for the previous two week prior sales. Leader Bonuses and 6 in 30 Club Bonuses are paid monthly.

6.2 – Adjustment to Bonuses and Commissions

Independent Business Owners receive bonuses and commissions based on the actual sales of products and services to end consumers and downline Independent Business Owners. If a product is returned to isXperia for a refund, the bonuses and/or commissions attributable to the returned product(s) will be deducted until recovered from the Independent Business Owner(s) who received said bonus or commissions on the sales of the refunded goods. If necessary, the Independent Business Owner(s) will be billed the amount of the adjustment until the account is cleared.

6.3 – Credits

Customers or Independent Business Owners who have a credit account must use said credit within six (6) months from the date credit was issued.

SECTION 7 – ORDERING

7.1 – Sales Goals

The foundation of a successful enterprise can be found on two platforms, developing and expanding product sales to end consumers who will become repeat customers and the development (enrollment, encouragement and continued coaching) of a downline. It is strongly suggested that the time be divided equally as each portion of the foundation is necessary to support the other. Without retail product sales the organization will collapse. isXperia is a product-based network marketing company.

7.1.1 – isXperia Customers

Independent Business Owners are encouraged to promote the isXperia Customer Program to retail customers. Customers simply go to the isXperia Business Owners website to place their orders, which they can charge to their credit card or they can mail in their orders directly to isXperia. isXperia will drop ship the ordered products directly to the customer. To ensure that Independent Business Owners receive the appropriate commission, Customers may not place an order without being connected to an Independent Business Owner. Customers can

even have their own Autoship profile.

7.1.2 – Monthly Autoship Program

Under this program, the Independent (Distributor) Business Owner authorizes isXperia to have a specified dollar amount drafted automatically from their credit card account. This amount is based upon a preselected order, assuring the Independent (Distributor) Business Owner has met his or her monthly volume requirements. isXperia will send the Independent (Distributor) Business Owner their pre-selected order every month, allowing the Independent (Distributor) Business Owner to choose from many products each month for retailing or personal use. Disclosure of the Autoship program to prospective new Independent Business Owners is mandatory. A sponsoring Independent (Distributor) Business Owner will not place anyone on Autoship or select products for them without total disclosure of the exact amount they will be billed monthly and what products or services they will receive. The new Independent (Distributor) Business Owner must agree to utilization of the Autoship program before the Autoship profile is setup. This includes, but is not limited to the monthly web hosting fee. Violation of this policy will result in termination.

7.2 – PURCHASING ISXPERIA PRODUCTS

Each Independent (Distributor) Business Owner will purchase his or her products directly from isXperia. If an Independent (Distributor) Business Owner purchases products from another Independent Business Owner, or any other source, the purchasing Independent (Distributor) Business Owner will not receive the Personal Sales Volume associated with that purchase as it was previously credited to another Independent Business Owner, nor will they be able to obtain a refund or exchange from isXperia.

7.3 – GENERAL ORDER POLICIES

isXperia will attempt to contact the Independent (Distributor) Business Owner either by telephone, e-mail or regular mail to obtain another payment regarding mail orders with invalid or incorrect payment. If these attempts are unsuccessful after five working days, the order will be returned unprocessed. isXperia maintains no minimum order requirements.

7.4 – SHIPPING AND BACK-ORDER POLICY

isXperia will make every effort to ship products within five (5) business days from the date on which it processes an order, although it is our sincere goal of "Out the Door in 24!", isXperia will expeditiously ship any part of any order currently in stock. If an ordered item is out of stock, said item will be placed on back-order and shipped as soon as isXperia receives additional inventory. Independent Business Owners will be charged and given Personal Sales Volume on back ordered items unless notified that the product has been discontinued. isXperia will notify Independent Business Owners and Customers if items are back-ordered and are not expected to ship within 30 days from the date of the order. An estimated shipping date also will be provided. Back-ordered items may be substituted for other product upon an Independent Business Owner's or Customers written request.

7.5 – CONFIRMATION OF ORDER

An Independent (Distributor) Business Owner and/or recipient of an order must confirm that the product received matches the product listed on the shipping invoice and is free of damage. Failure to notify isXperia of any shipping discrepancy or damage within ten (10) days of receipt will void the right to request a correction.

SECTION 8 – PAYMENTS AND SHIPPING

8.1 – DEPOSITS

No money shall be paid to or accepted by an Independent (Distributor) Business Owner for sale to a Retail Customer except at the time of product delivery. Independent Business Owners will not accept money from Retail Customers to be held for deposit in anticipation of future deliveries.

8.2 – INSUFFICIENT FUNDS

It is the responsibility of each Independent (Distributor) Business Owner to ensure there are sufficient funds

or credit available in his or her account to cover the cost and fees attached to any order. isXperia is under no obligation to contact Independent Business Owners regarding orders canceled due to insufficient funds or credit (section 7.3 notwithstanding). isXperia will not be responsible for any insufficient charges incurred by the Independent Business Owners financial institution as a result of their insufficient funds.

8.3 – RETURNED CHECKS

All checks returned by an Independent Business Owner's bank for insufficient funds will not be re-submitted for payment. A \$30.00 returned check fee will be charged to the account of the Independent Business Owner. After receiving a returned check from an Independent Business Owner, isXperia will require all future orders submitted by said Independent (Distributor) Business Owner to be paid by credit card, money order or cashier's check. Any outstanding balance owed to isXperia by an Independent (Distributor) Business Owner for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.

8.4 – RESTRICTIONS ON THIRD-PARTY USE OF CREDIT CARDS AND CHECKING ACCOUNTS

Independent Business Owners will not permit other Independent Business Owners or Customers to use their personal credit card or permit debits to their checking accounts, either to enroll or make purchases from the Company. In the event this occurs, isXperia will not be responsible for any charges incurred by the actual credit card holder.

8.5 – SALES TAXES

isXperia is required to charge sales taxes on all purchases made by Independent Business Owners and Customers. isXperia will collect and remit appropriate sales taxes on behalf of Independent Business Owners, based on the suggested retail price of the products. If an Independent (Distributor) Business Owner has submitted a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice. In that case the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be then upon said Independent Business Owner. Exemption from the payment of sales tax is applicable only to orders that are shipped to a state or province for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state or province. Any sales tax exemption accepted by isXperia is not retroactive.

SECTION 9 – PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASES

9.1 – PRODUCT GUARANTEE

isXperia guarantees its products against container rupture, workmanship or inadvertent product shortage. The broken or damaged item will be replaced at no cost to the Independent (Distributor) Business Owner or Customer upon receiving the damaged product back at its shipping facility.

9.1.1 – Returns by Retail Customers to Independent Business Owners

isXperia offers, through its Independent Business Owners, a 100% unconditional thirty-day, money-back guarantee to all Retail Customers. Every Independent (Distributor) Business Owner shall honor the Retail Customer guarantee. If for any reason a Retail Customer is dissatisfied with any isXperia product or service, the Retail Customer may return said product to the Independent (Distributor) Business Owner within thirty (30) days for a replacement or exchange, less shipping charges. See Section 9.1.4 regarding procedures for Independent (Distributor) Business Owner returns to isXperia from his or her Retail Customer. Failure of the Independent (Distributor) Business Owner to fulfill the above obligation will result in isXperia honoring this guarantee, refunding the appropriate money for a return and deducting the refunded amount plus a \$30 processing fee from the Independent Business Owner's account.

9.1.2 – Returns by Independent Business Owners & Personal Retail Customers to the Independent Business Owner

If a Retail Customer returns a product to the Independent (Distributor) Business Owner from whom it was purchased, the Independent (Distributor) Business Owner may return it to the company for an exchange or a replacement only. All products returned from personal Retail Customers must be returned to the Company within 15 days from the date on which it was returned to the Independent Business Owner, along with a copy of the sales receipt the Independent (Distributor) Business Owner furnished the Customer for the original sale. To receive an exchange, an Independent (Distributor) Business Owner shall furnish the unused portion of the product and written statement pertaining to the refund transaction with the Customer. Products must be exchanged within 90 days of the original Independent (Distributor) Business Owner purchase. A \$7.00 minimum processing fee is charged on all exchanges. The Independent (Distributor) Business Owner is responsible for shipping cost on the returned product.

9.1.3 – Returns by Customers directly to isXperia

isXperia offers Customers (not Independent Business Owners) an unconditional thirty-day, money-back guarantee. If for any reason a Customer is dissatisfied with any isXperia product or service, he or she may return that product to the Company within 30 days, for a replacement, exchange or a full refund of the purchase price, less shipping charges. Volume for any returns will be deducted during the volume week and month of the refund, with volume being deducted from the upline Independent Business Owners that profited from the original sale. There are no refunds on any service that has been completed. Service examples include but are not limited to: XIP123 Online System, XIP321 Online Software, Trainings, Seminars, and any other service oriented product. Refunds will not be given for the current month of services.

9.1.4 – Returns by Independent Business Owners – (Personal Consumption Products Only)

If an Independent (Distributor) Business Owner is dissatisfied with any isXperia product purchased for personal use, the Company will exchange products for 30 days from the shipment date. No refunds are given to Independent Business Owners, unless they are resigning their Independent (Distributor) Business Owner position. All returns must be postmarked within 15 days of receipt of a RMA number, see Section 9.1.5.

9.1.5 – Returns by Independent Business Owners upon Resignation

Any Independent (Distributor) Business Owner who terminates their position must notify isXperia in writing. At that time, any unused salable product that has shipped within the last 180 days of the termination date may be returned to isXperia for a refund equal to 90% of the original purchase price, less any commissions or bonuses paid. All returns must have a Return Merchandise Authorization number (RMA). An RMA number can be obtained by filling out a Form. This can be found on the isXperia.com isXperia office website. You can fax said form to 707-922-7073, or get the RMA number by calling the isXperia Customer Service Department at 239-935-5858. This refund is subject to the Independent Business Owner's prior representations regarding compliance with the 70% rule, See Section 5.1. In any state in which a specific buyback requirement has been enacted which may vary from the foregoing, isXperia shall repurchase products and sales aids in accordance with the applicable statute. Perishable items such as food or certain types of skin care products; will not be refunded after thirty (30) days from date of purchase.

9.2 – PROCEDURES FOR RETURNS

The following procedures apply to all returns for refund, repurchase or exchange:

The Independent (Distributor) Business Owner or Customer who purchased it directly from isXperia must return all merchandise, (except as allowed for in Article 9.1.1 above).

Products are not considered current or resalable if returned after the product's commercially usable or shelf life has passed; if they are used; or if the company has clearly stated prior to the purchase that the products are seasonal, discontinued or special promotion products and are not subject to the repurchase obligation.

Opened videotapes, audiotapes, CDs or previously factory-sealed merchandise shall be considered not resalable

and may not be returned for a refund. However, if a product proves to be defective, it may be replaced with the same product.

All products to be returned must have a Return Merchandise Authorization Number see Section 9.1.5. This Return Authorization Number must be written on the outside of each box/carton returned. Packages received without an RMA number will be returned.

Packages sent to isXperia warehouse without following RMA procedures will be refused and returned to shipper at their expense.

The return must be accompanied by:

- A completed and signed applicable Product Return Form.
- A copy of the original dated retail sales receipt or invoice.
- The unused portion of the product in its original container if doing an exchange.

Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement or refund. It is recommended to use UPS, Federal Express, or other similar shipper which has shipment tracking capabilities. Insurance on the package is advisable as any loss or damage is the responsibility of the Independent (Distributor) Business Owner until delivery to isXperia. All returns must be shipped to isXperia shipping prepaid. isXperia does not accept collect-shipped or damaged packages. If returned products are not received by the Company's Distribution Center, it is the responsibility of the Independent (Distributor) Business Owner to trace the shipment.

If an Independent (Distributor) Business Owner is returning Merchandise to isXperia that was returned to him or her by a Retail customer, the Product must be received by isXperia within fifteen (15) days from the date on which the Retail Customer returned the merchandise to the Independent Business Owner, and shall be accompanied by the sales receipt the Independent (Distributor) Business Owner provided the Customer at the time of sale. No refund or replacement of product will be made if the conditions of these requirements are not met.

Upon requesting a refund, an itemized inventory of the items to be returned must be furnished via facsimile (707-922-7073) Attn: Refunds – or via regular mail to isXperia corporate offices. Upon receipt of this inventory, the Independent (Distributor) Business Owner will be furnished via facsimile or email (if possible – otherwise, US Mail) an estimated list of the dollar amount to be refunded on each acceptable item. This is strictly an estimate and will be contingent upon the resalable condition of the products.

After the Independent (Distributor) Business Owner receives this estimate; they must ship the product, along with a copy of that estimate and the RMA information to isXperia. If there is no damage to the shipment or the items, a refund will be made no later than 60 days, although generally the majority of refunds are made within 30 days.

If the shipment or the contents arrived damaged, digital photos will be taken and posted to a web page. A postcard will be mailed to the shipping Independent (Distributor) Business Owner explaining the damage and directing them to view the photos on the web page. The Independent (Distributor) Business Owner will have 30 days in which to file a claim with the shipper for the damages and notify isXperia of their so doing. If the Independent (Distributor) Business Owner fails to both (1) file a claim against the shipping company and (2) notify isXperia of that claim, after 30 days, isXperia will destroy the product and no refund will be made. Please note that this is not an isXperia "rule": In all cases, who ever ship the product is the ONLY one who may file a claim for damages.

SECTION 10 – INACTIVITY AND CANCELLATION

10.1 – EFFECT OF CANCELLATION

isXperia shall pay commissions to such Independent (Distributor) Business Owner in accordance with the isXperia Marketing and Compensation Program to any Independent (Distributor) Business Owner who

complies with the terms of the Independent (Distributor) Business Owner Agreement and these Policies and Procedures. An Independent Business Owner's bonuses and commissions constitute the entire consideration for the Independent Business Owner's efforts in generating sales and all activities related to generating sales. Following an Independent Business Owner's non-renewal of his or her Independent (Distributor) Business Owner Agreement, or voluntary or involuntary cancellation of his or her Independent (Distributor) Business Owner Agreement (all of these methods are collectively referred to as "cancellation") or termination, the former Independent (Distributor) Business Owner shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. Following an Independent Business Owner's cancellation of his or her Independent (Distributor) Business Owner Agreement, the former Independent (Distributor) Business Owner shall not hold himself or herself out as an isXperia Independent (Distributor) Business Owner and shall not have the right to sell isXperia products or services or attend isXperia related events. An Independent (Distributor) Business Owner whose Independent (Distributor) Business Owner Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation, less any amounts withheld during an investigation preceding an involuntary cancellation or termination.

10.2 – INACTIVE STATUS

It is the Independent Business Owner's responsibility to lead his or her marketing organization with the proper example in personal commissions from sales generated through his or her marketing organization. Independent Business Owners with less than the required amount of Personal Bonus Volume for any period will not receive a commission for the sales generated through their marketing organization for that pay period. If an Independent (Distributor) Business Owner has not fulfilled his or her Personal Volume requirements for a period of six consecutive calendar months, his or her Independent (Distributor) Business Owner Agreement shall be deemed inactive. This change of status will become effective on the day following the last day of the sixth month of inactivity. isXperia will not provide written confirmation of the change of status.

10.3 – INVOLUNTARY CANCELLATION

Independent Business Owners in violation of any of the terms of the Agreement, including any amendments that may be made by isXperia will result in any of the sanctions listed in Section 11.1, including the involuntary cancellation or termination of his or her Independent (Distributor) Business Owner Agreement. Cancellation shall be effective on the date on which written notice is mailed with return receipt requested, to the Independent Business Owner's last known address.

10.4 – VOLUNTARY CANCELLATION

An Independent (Distributor) Business Owner may voluntarily cancel his or her Independent (Distributor) Business Owner Agreement at any time for any reason by filling out a signed letter and faxing to isXperia at: 707-922-7073.

10.4.1 – Non-Renewal

An Independent (Distributor) Business Owner also may voluntarily cancel his or her Independent (Distributor) Business Owner Agreement by failing to renew the Agreement on its anniversary date.

SECTION 11 – DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

11.1 – DISCIPLINARY SANCTIONS

Violation of the Independent (Distributor) Business Owner Agreement, these Policies and Procedures, or any illegal, fraudulent, deceptive or unethical business conduct by an Independent (Distributor) Business Owner will result, in one or more of the following corrective measures:

Issuance of a written warning or reprimand: Probation for a specific period of time may be (1) recourse, during which time; the Independent (Distributor) Business Owner will refrain from any other infractions or face more severe disciplinary consequences including:

- Imposition of a fine, which will be withheld from bonus and commission checks: Fines will vary according to the infraction and Independent Business Owner's rank and may include amounts to cover the cost of the infraction(s) or future restitution.
- Loss of rights to one or more bonus and commission checks; this can be in the form of suspension which prohibits further Independent (Distributor) Business Owner activity until the case is resolved.
- Adjustment of any marketing organization, including the movement of all or part of the marketing organization to another Independent Business Owner:
- Involuntary Termination of the offender's Independent (Distributor) Business Owner Agreement.
- Requiring the Independent (Distributor) Business Owner to take immediate corrective measures:
- Any other measure expressly allowed within any provision of the Agreement:
- Any other measure which isXperia deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Independent Business Owner's policy violation or contractual breach.
- Under the most serious of cases, isXperia may withhold from an Independent (Distributor) Business Owner all or part of the Independent Business Owner's bonuses and commissions during the period that isXperia is investigating any conduct allegedly in violation of the Agreement. If an Independent Business Owner's business is canceled for disciplinary reasons, said Independent (Distributor) Business Owner will not be entitled to recover any commissions withheld during the investigation period.
- isXperia may institute legal proceedings for monetary and/or equitable relief or prosecute criminally at their sole discretion.

11.2 – GRIEVANCES AND COMPLAINTS

When an Independent (Distributor) Business Owner has a grievance or complaint with another Independent (Distributor) Business Owner regarding any practice or conduct in relationship to their respective isXperia businesses, the complaining Independent (Distributor) Business Owner shall first report the problem to his or her immediate upline who will review the matter and attempt to resolve issues with the other party's upline. If the issues cannot be resolved, it must be reported in writing to the Compliance Department. The Compliance Department will review the facts and attempt to resolve said issues. In the event said issue cannot be resolved, the grievance shall be referred to the Dispute Resolution Board for final review and determination. Independent (Distributor) Business Owner upline have no authority to resolve any issues that circumvent, oppose or contradict the agreement, the policies and procedures or isXperia's marketing and compensation Plan.

11.3 – DISPUTE RESOLUTION BOARD

The purpose of the Dispute Resolution Board ("DRB") is:

- (1) To review appeals of disciplinary sanctions.
- (2) To review matters between two or more isXperia Independent Business Owners.
- (3) After response or settlement instituted by Compliance has been denied or otherwise remains unresolved, the Dispute Resolution Board (Dispute Resolution Board) shall review evidence, deliberate and respond to current exceptional issues on a collective basis.

An Independent (Distributor) Business Owner may submit a written request for a telephone or in-person hearing within seven (7) business days from the date of:

- (1) The written notice by isXperia of disciplinary action.
- (2) The written decision of Compliance regarding disputes between Independent Business Owners.

All communication with isXperia and the Independent (Distributor) Business Owner seeking resolution of a

dispute must be in writing. It is within the Dispute Resolution Board discretion whether a claim is accepted for review. If the Dispute Resolution Board agrees to review the matter, it shall schedule a hearing within two (2) weeks of receipt of the Independent Business Owner's written request. All evidence, i.e. documents, exhibits, etc. that an Independent (Distributor) Business Owner desires to have considered by the Dispute Resolution Board must be submitted to isXperia no later than seven (7) days before the date of the hearing. The Independent (Distributor) Business Owner shall bear all of the expenses related to his or her attendance and the attendance of any witnesses he or she desires to be present at the hearing. The decision of the Dispute Resolution Board will be final and subject to no further review. During pendency of the appeal before the Dispute Resolution Board, the Independent (Distributor) Business Owner waives his or her right to pursue arbitration or any other remedy.

11.3.1 – Appeals of Involuntary Termination

Following an involuntary termination, the canceled Independent (Distributor) Business Owner may appeal the termination to the Dispute resolution Board ("Dispute Resolution Board"). The Independent Business Owner's appeal must be in writing and received by the Company within twenty-five (25) days of the date of isXperia's termination notice. The Independent (Distributor) Business Owner must submit all supporting documentation with his or her appeal correspondence. The written appeal will be reviewed by the Dispute Resolution Board. If the Independent (Distributor) Business Owner files a timely Appeal of Termination, the Dispute Resolution Board will review and reconsider the termination, consider any other appropriate action, and notify the Independent (Distributor) Business Owner in writing of its decision. If isXperia does not receive the appeal within the 25-day period, the cancellation will be automatically and irrevocably deemed final.

11.4 – ARBITRATION

Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules. Judgment in the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. If an Independent (Distributor) Business Owner files a claim or counterclaim against isXperia, he or she may do so only on an individual basis and not with any other Independent Business Owner, or as part of a class or consolidated action. Independent Business Owners waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in LEE County, Florida. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct sales industry, selected from the panel that the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement. Nothing in these Policies and Procedures shall prevent isXperia from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect isXperia's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

11.5 – GOVERNING LAW, JURISDICTION AND VENUE

Jurisdiction and venue of any matter not subject to arbitration shall reside in Lee County, Florida. The law of the State of Florida shall govern all disputes arising from the Agreement.

SECTION 12 – GLOSSARY OF TERMS

12.1 – DEFINITIONS

ACTIVE Independent (Distributor) Business Owner – An Independent (Distributor) Business Owner who satisfies the minimum monthly volume requirements, as set forth in the isXperia Marketing and Compensation Plan, to ensure that an Independent (Distributor) Business Owner Agreement remains in force.

ACTIVE RANK – The term "active rank" refers to the current rank of an Independent Business Owner, as determined by the isXperia Marketing and Compensation Plan, for any calendar month or volume period. To be

considered "active" relative to a particular rank, an Independent (Distributor) Business Owner must meet the criteria set forth in the isXperia Marketing and Compensation Program for his or her respective rank. (See the definition of "Rank" below).

AGREEMENT – The contract between the Company and each Independent (Distributor) Business Owner includes the Independent (Distributor) Business Owner Application and Agreement, the isXperia Policies and Procedures, the isXperia Marketing and Compensation Program, and the Entity Application and Agreement (where appropriate). These documents collectively are referred to as the "Agreement."

BUSINESS VOLUME (BV) – The commissionable value of products and services sold by the Company:

COMMISSIONABLE PRODUCTS / SERVICES – All isXperia products and services on which commissions and bonuses are paid. Independent (Distributor) Business Owner Packs and sales aids are not commissionable products.

COMPANY – The term "Company" as it is used throughout the Agreement means isXperia.

CUSTOMER – When the term "Customer" (with an uppercase "C") is used in these Policies and Procedures or other isXperia literature, it refers to a Customer. For purposes of these Policies and Procedures, and the isXperia Marketing and Compensation Program, Customers are not Independent Business Owners. If a customer subsequently decides to become an Independent Business Owner, he or she must properly complete an Independent (Distributor) Business Owner Agreement. When reference is made to Retail Customer, the term "Retail Customer" will be used. A Customer, who has not completed an isXperia Independent (Distributor) Business Owner Agreement, however purchases products directly from isXperia.

DOWNLINE – See "Marketing Organization" below:

DOWNLINE ACTIVITY REPORT – A monthly report generated by isXperia that is issued with the Independent Business Owner's commission check and provides critical data relating to the identities of Independent Business Owners, sales information and enrollment activity of each Independent Business Owner's marketing organization. This report contains trade-secret information, which is proprietary to isXperia.

DOWNLINE LEG – Each one of the individuals enrolled immediately underneath a particular Independent (Distributor) Business Owner and their respective marketing organization represents one "leg" in the particular Independent Business Owner's marketing organization.

END CONSUMER – A person who purchases isXperia products for the purpose of personally consuming them, rather than for resale to someone else.

ENTITY AGREEMENT – A binding contract entered into by isXperia and any Independent (Distributor) Business Owner who wishes to choose a corporate or partnership form of business. Upon acceptance by the Company, this contract, together with the Policies and Procedures, Independent (Distributor) Business Owner Agreement and isXperia Marketing and Compensation Program, spells out the complete rights of each party.

GROUP SALES VOLUME – The commissionable value of isXperia products generated by an Independent Business Owner's marketing organization. Group Sales Volume does include the Personal Sales Volume of the subject Independent (Distributor) Business Owner and is used for rank qualification only.

Independent (Distributor) Business Owner – Any person, who has submitted a complete isXperia Independent (Distributor) Business Owner Agreement, has been accepted by isXperia and is authorized to merchandise isXperia products, sponsor others, and to receive compensation in accordance with the requirements of the Sales Compensation Plan. An Independent Business Owner's relationship to isXperia is governed by the Independent (Distributor) Business Owner Agreement, which is a fully enforceable contract. An Independent (Distributor) Business Owner is a fully Independent Contractor.

Independent (Distributor) Business Owner TRAINING MANUAL – A selection of isXperia training materials and business support literature that each new Independent (Distributor) Business Owner has the option to purchase. The Getting Started Manual is sold to Independent Business Owners at the Company's cost.

IMMEDIATE HOUSEHOLD – Heads of household and dependent family members residing in the same house,

including fiancés.

INDEPENDENT CONTRACTOR – Any Independent (Distributor) Business Owner who merchandises the isXperia products in accordance with the Marketing and Compensation Plan and according to his or her own methods and abilities, and who is subject to the Company’s control only as to the isXperia Policies and Procedures, Independent (Distributor) Business Owner Agreement and the Entity Agreement.

INVOLUNTARY CANCELLATION – The termination of an Independent Business Owner’s Agreement and isXperia business that is initiated by isXperia.

LEVEL – The layers of downline Independent Business Owners in a particular Independent Business Owner’s marketing organization. This term refers to the relationship of an Independent (Distributor) Business Owner relative to a particular upline Independent Business Owner, determined by the number of Independent Business Owners between them who are related by sponsorship. For Example: if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A’s fourth level.

MARKETING ORGANIZATION – All levels of Independent Business Owners below a particular Independent Business Owner.

OFFICIAL ISXPERIA MATERIAL – Literature, audio or videotapes and other materials developed, printed, published or distributed by isXperia to Independent Business Owners.

OVERRIDE – Compensation paid by isXperia to Qualified Independent Business Owners based on the Bonus Volume of products merchandised by that Independent Business Owner’s personal group as set forth in the Marketing and Compensation Plan.

PERSONAL PRODUCTION – Moving product to an end consumer for personal use.

POLICIES AND PROCEDURES – The policies governing how an Independent (Distributor) Business Owner is to conduct his or her Business with isXperia its Affiliates, Independent Business Owners and Customers as set forth in this document.

RANK – The “title” that an Independent (Distributor) Business Owner has achieved pursuant to the isXperia Marketing and Compensation Plan.

RECRUIT – For purposes of isXperia’s Conflict of Interest Policy (Section 4.6), the term “recruit” means to solicit, attempt to enroll, encourage, or attempt to influence in any way, either directly or through a third party, another isXperia Independent (Distributor) Business Owner or Direct Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the Independent Business Owner’s actions are in response to an inquiry made by another Independent (Distributor) Business Owner or Direct Customer.

RESALABLE – Goods and sales aids shall be deemed “resalable” if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) the product and packaging are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full Independent (Distributor) Business Owner or Direct Customer price; 4) products are returned to isXperia within one year from the date of purchase; 5) the product expiration date has not elapsed; and 6) the product contains current isXperia labeling. Any merchandise that is clearly identified at the time of sale as non-returnable discontinued or as a seasonal item shall not be resalable.

RETAIL CUSTOMER – An individual who purchases isXperia products directly from an Independent Business Owner.

ISXPERIA SALES COMMISSION – The difference between the discounted price of products and the retail price an Independent (Distributor) Business Owner receives for products when they are resold.

SALES AIDS – Any material used in the merchandising of products to enroll prospective Independent Business Owners which makes reference to isXperia, its affiliated companies, the products, the Marketing and Compensation Plan or the trade names or logo.

SEVENTY PERCENT RULE – The Company has a strict policy prohibiting Independent Business Owners from stockpiling products. The isXperia Marketing and Compensation Plan is based on sales to the ultimate Retail Consumer. In order to qualify for Overrides and Bonuses, an Independent (Distributor) Business Owner must certify that at least 70 percent of all products previously purchased have been used or sold. isXperia recognizes that Independent Business Owners may wish to purchase products in reasonable amounts for their own personal consumption, Retail Sales Customers and support of their personal organization. For purposes of this rule, a sale may include a purchase for personal or family use. However, isXperia strictly prohibits the purchase of products in unreasonable amounts solely for the purpose of qualification or advancement in the isXperia Sales Compensation Plan.

SPONSOR – An Independent (Distributor) Business Owner who enrolls another Independent (Distributor) Business Owner into the program. The sponsoring Independent (Distributor) Business Owner then takes responsibility for the training and success of the new Independent Business Owner.

SUGGESTED RETAIL PRICE (SRP) – The price at which isXperia suggests Independent Business Owners sell a particular product or service to Retail Customers. Notwithstanding the SRP, Independent Business Owners are always free to sell isXperia products or services at any price they choose.

UPLINE – This term refers to the Independent (Distributor) Business Owner or Independent Business Owners above a particular Independent (Distributor) Business Owner in a sponsorship line up to the company. Conversely stated, it is the line of Sponsorship that links any particular Independent (Distributor) Business Owner to the Company.

VOLUNTARY CANCELLATION – The termination of an Independent (Distributor) Business Owner or Customer Agreement instituted by the Independent (Distributor) Business Owner or Customer who elects to discontinue his or her affiliation with isXperia (other than as a direct or Retail Customer) for any reason other than a termination instituted by isXperia for breach of contract or violation of the Policies and Procedures.