

Life Force® International

U.S. Statement of Policies & Procedures

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CODE OF CONDUCT DECLARATION

Life Force International (subsequently referred to as “LFI” or the “company”) has established the following code of conduct to guide the appropriate, efficient and ethical operation of LFI. We require our Members and Customers to abide by the letter and spirit of this code that forms our contract with all registered parties of LFI.

1. Member Obligation

LFI Members will:

- a. Conduct themselves in an ethical and professional manner;
- b. Sell the company’s products in accordance with the compensation plan;
- c. Make it clear that success in LFI’s compensation plan is based on retail sales rather than sponsoring;
- d. Represent the compensation plan only as prescribed by LFI;
- e. Comply with applicable consumer protection laws and regulations;
- f. Provide training, motivation and support to Members in their organization; and
- g. Maintain current and accurate information concerning the address, phone number, email, social security number, method of payment, and any other data on their file.

LFI Members will not:

- a. Engage in deceptive, unlawful, or unethical business or recruiting practices;
- b. Engage in high-pressure selling or recruiting practices;
- c. Make misleading sales claims or guarantees concerning the company’s products;
- d. Make misleading claims or guarantees concerning potential earnings;
- e. Sponsor or enroll minors or persons who are not capable of making an informed decision;
- f. Conduct business activities in countries other than those approved by LFI;
- g. Purchase Business Volume on another Member or Customer’s account to qualify for any LFI bonus or commission; or
- h. Seek in any way to violate or circumvent LFI policies.

2. Obligations of LFI

The company will:

- a. Conduct itself in an ethical and professional manner;
- b. Administer the policies and procedures of the company fairly, without prejudice or favor;
- c. Provide worldwide liability insurance on its

products when used in accordance with the instructions on the label;

- d. Compensate Members in accordance with LFI’s approved compensation plan;
- e. Process orders and ship products in a timely fashion;
- f. Provide Members with the organization and volume information required to manage business activities; and
- g. Comply with all laws governing the sale and distribution of products and the compensation of participants.

The company will not:

- a. Guarantee success in LFI;
- b. Provide any commissions for the recruitment of others;
- c. Tolerate Members pressuring prospects into purchasing large quantities of inventory;
- d. Tolerate misleading product claims;
- e. Tolerate Members “stocking up” on products merely to obtain commissions;
- f. Advise Members on their personal account management;
- g. Represent that there is any substitute for hard work and preparation; or
- h. Tolerate Members purchasing Business Volume, or soliciting other Members to do so, on another Member or Customer account other than their own to qualify for any LFI bonus or commission.

Violation of these policies may result in disciplinary measures listed in policy 57.

ADMINISTRATIVE POLICIES

Membership Policies

1. Becoming a Customer

LFI defines Customers as persons who simply wish to purchase products and choose not to participate in the LFI income opportunity. Anyone may become a Customer at absolutely no cost whatsoever and purchase LFI products at low factory-direct prices. Alternatively, Customers may purchase directly from their sponsor at a fair and equitable retail price. To become a Customer, you must have a sponsor. Bonuses on Customer purchases will be paid to the sponsoring organization.

Unlike Members, Customers do not need to provide LFI with their Social Security or Tax Identification number. For account management purposes, a Customer will be assigned a computer-generated Identification Number that they should use when ordering products or making

account inquiries. In addition, to remain active, a Customer must purchase products at least once every twelve months. However, LFI reserves the right to accept or reject any Customer at any time.

In the event a Customer is registered under a business name, the contact name for the owner/manager of the business entity is required.

Customers may elect to change their status and become a Member at any time during the calendar month. Should a Customer become a Member, the newly converted Member's enrollment sponsor will be eligible to change their placement sponsorship as detailed in policy 21D. Any new downline the upgraded Member has built will be transferred upon completion of the placement change. The enrollment sponsorship of the upgraded Member, however, cannot be transferred.

2. Becoming a Member

Membership in LFI does not constitute the sale of a franchise or distributorship and no product purchase is required as a means to obtain the right to become an LFI Member. A person may be awarded a Membership as an individual, or in the form of a bona fide business entity such as a partnership or D.B.A.

Should a business entity register as a Member, the point of contact for the business entity will be subject to the policies and procedures as if they were the Member. In addition, there must be a contact name for the owner/manager of the business entity.

To become a Member and participate in the LFI compensation plan, an individual must:

- a. Agree to abide by the LFI policies and procedures;
- b. Be of legal contractual age in their state of residence;
- c. Have a sponsor;
- d. Provide LFI, by phone, email, internet, mail or fax, with their Social Security number or Tax Identification number; and
- e. Remain active by purchasing products at least once every six months.

If a registered Member of LFI goes six months without making a purchase, at midnight on the last day of the sixth month of inactivity, the Member will revert to a Customer status. The Member's existing downline organization will roll up to the immediate upline sponsor, and the enrollment sponsorship of

any Members who had been previously enrolled by the inactive Member will be transferred to the Member's Enroller. As a converted Customer, the individual will then have an additional six months to place an order before complete removal from LFI takes place. If a Member calls after being changed to a Customer to place an order, they will remain a Customer unless they provide their social security number and request to become a Member again. A Member who upgrades back to Member status after being changed to Customer status due to inactivity will not re-obtain their previous downline organization.

Compliance with these requirements entitles a participant to lifetime Membership. Membership is not transferable, and cannot be sold or assigned without prior approval of LFI.

Although no product purchase is required to become a Member, new Member registrations over the telephone where the new Member is not present, or registrations via the internet or utilizing any other electronic method where an individual cannot verify their intent to become a Member, must include the following:

Full name, address (mailing and shipping), Social Security or Tax Identification number, complete telephone number, and both enrollment and placement sponsor's Identification Number. Incomplete electronic applications will be automatically rejected, whether sent via email, internet or fax.

Due to LFI's liberal application process, any registered Member who has never placed an order may challenge the validity of their registration and request immediate termination without prejudice, and join under the Member of their choice.

Registering Members or Customers without their permission is not allowed. Anyone caught registering an individual without the permission of the individual being registered shall be subject to the disciplinary measures listed in policy 57.

Although Members are authorized to sponsor other Members and enroll Customers, LFI reserves the right to accept or reject any Member.

3. Member Identification

Similar to Customers, each Member is assigned an Identification Number. This number is used to track sponsoring efforts, product purchases and bonus payments.

4. Independent Status

Members associated with LFI are independent contractors. If Members do any business, they are responsible for conducting their own business activities without company control or direction and are not an agent, employee or legal representative of the company.

Members are not authorized to incur any debt, expense or obligation on behalf of or for LFI nor bind LFI to any agreement or contract. Independent contractors have the following responsibilities:

- a. Abide by all laws, rules and regulations pertaining to the acquisition, receipt, holding, selling, distribution, and advertising of LFI products and business opportunity;
- b. Be solely responsible for declaration and payment of any associated taxes or fees;
- c. Be solely responsible for any required disability or compensation insurance;
- d. Supply any equipment and tools necessary for operating their business, such as telephone, transportation, professional services, office supplies; and
- e. Provide their own place of business and determine their own work hours.

5. Beneficiaries

Upon death or incapacity, the benefits of this agreement shall inure to the Member's heirs or successors in interest and the obligations and benefits of this policy shall be binding upon the respective successors.

In the event of death, the designated beneficiary will need to provide LFI with a certified copy of the final will and testament (or probate decision in absence of a will) along with a certified copy of the Death Certificate.

6. Second Position

Without exception, only Members who have achieved the rank of Gold in the LFI compensation plan may have a second position in LFI under the following conditions:

- a. The second position must only be enrolled and placed first level to the first position;
- b. Members and Customers originally sponsored under the first position with an enrollment date preceding the second position may not be transferred to the second position;
- c. The second position must have a separate Social Security or Tax Identification number, and it may be in the name of a spouse or bona fide business entity, but no HOUSEHOLD may have more than two business positions.

A spouse, business/charity organization, or secondary personal account would fall under the category of a second position. In addition, Customers cannot have a second account unless they become a Member and achieve the rank of Gold.

Failure to meet these may be subject to the disciplinary measures listed in policy 57.

7. Third Position

Without exception, only Members who have achieved the rank of 1 Star Diamond in the LFI compensation plan may have a third position in LFI under the following conditions:

- a. The third position must only be enrolled and placed first level to the first position;
- b. Members and Customers originally sponsored under the first position with an enrollment date preceding the third position may not be transferred to the third position;
- c. The third position must have a separate Social Security or Tax Identification number, and it may be in the name of a spouse or bona fide business entity, but no HOUSEHOLD may have more than three business positions.

A spouse, business/charity organization, or tertiary personal account would fall under the category of a third position. In addition, Customers cannot have a third position unless they become a Member and achieve the rank of 1 Star Diamond. When signing up a third position, the member must identify the position as a third position in their account. Failure to meet these conditions may be subject to the disciplinary measures listed in policy 57.

8. Multiple Households at a Single Address

LFI has an obligation to ensure that the integrity of its multilevel organizational structure is protected from stacking, a manipulation of the compensation plan that negatively impacts upline sponsors. For example, when family Members are chain-sponsored one after the other, upline commissions are negatively affected, even cut off. To prevent this situation, multiple households residing at the same address must be enrolled and placed front line to the original Member residing at that address. For example, if parents and adult children are living at the same address, all family Members must be sponsored front line to the original Member of LFI residing at that address.

- a. Individual rent-paying tenants in the same building or residence are not considered a household.
- b. Roommates are not considered a household.

9. Marriage of LFI Members

In the event that two LFI Members have separate accounts prior to their marriage, LFI will allow them to maintain their accounts after they are legally wed with the presentation of a marriage certificate, verifying the date of their marriage or legal union for domestic partners.

10. The Divorce or Annulment of LFI Members

If there is an LFI Member account that is shared by a married couple and those two parties become divorced or have their marriage annulled, they may open separate individual accounts. Both parties are required to send in a signed written request of their registration along with an official copy of their divorce or annulment papers before the registrations can take place.

11. Fictitious/Falsified Information

The use of a fictitious name, address, phone number, social security number, or other information for an LFI account is strictly prohibited. Members participating in such activity may be subject to disciplinary measures listed in policy 57.

12. Change of Name, Business Name, and SSN/Tax ID

Members and Customers are responsible for notifying LFI in writing by letter, email or fax of any change in their name, business name, SSN/Tax ID information, etc. Send letters to:

Life Force International
12460 Kirkham Court
Poway, CA 92064
Email: lifeforce@lifeforce.net
Fax: 1-800-809-8208

13. Voluntary Resignation

Members and Customers may resign their Membership at any time with a signed and dated letter indicating their intent to discontinue their LFI account. For a Member terminating their position, any downline organization affected by the resignation shall be transferred to the resigning Member's sponsor. Enrollment Sponsorship shall be transferred to the resigning Member's enroller.

Once resigned, a formerly active Member or Customer may not re-apply for a new account for three calendar months following the month in which the termination occurred unless they have received the signatures of the six previous upline sponsors. However, an individual can re-register, with no wait period, under the same sponsor as that of their resigned position. If a resigned Member had achieved the rank of Platinum or

higher, readmission as a Customer or Member will require the approval of a senior LFI Executive.

14. Sale of an Independent Membership

An Independent Member may not sell, assign or otherwise transfer their Independent Membership, marketing position, or any other Independent Member rights without the prior written approval of LFI. Prior to the sale, LFI requires that a request for sale of Membership be forwarded to the LFI Home Office. LFI will then provide a packet to the Independent Member, which includes a form and instructions on how to proceed with the sale. Prior to approval, LFI requires that all documents of sale be signed and notarized by all parties, and that they be submitted to LFI.

The Offer of Sale of the Independent Membership must first be offered in writing* to the Independent Member's direct placement sponsor as a first right of refusal. A copy of this offer must be forwarded to the LFI Home Office. The direct placement sponsor must be Gold or above who does not already hold a second position (see policy 6). In the event that the direct sponsor doesn't respond within 72 hours from the time of first request by seller, LFI will attempt to contact the direct upline. The direct upline will then have 72 hours to contact LFI with refusal. If the direct placement sponsor declines the offer, or is not eligible to accept it, and sends their refusal to LFI in writing,* or is non-responsive, the Independent Member may offer this position to anyone, on the same terms and conditions as were offered to the direct placement sponsor. If the transaction is completed and approved by LFI, the organization that is sold/purchased will remain in its original position in the LFI genealogy. All Members agree that the decision to allow a sale of Membership, and whether the required approvals have been obtained, will be at LFI's sole discretion.

The sale, transfer or assignment of the majority of voting shares in a Corporate Independent Membership is deemed a sale of an Independent Membership and is subject to the same requirements.

In all cases, LFI reserves the right to review and approve the entire transaction including, but not limited to, the "offer to sell."

A Member who has sold their Membership may not reapply for Membership or purchase another position for three calendar months following the month in which the original Membership was

sold, unless they have received the signatures of the six previous upline sponsors.

It is a violation of LFI policy to solicit or compensate a downline Independent Member to voluntarily resign his/her Independent Membership solely for the purpose of advancement in the Compensation Plan.

**All correspondence must be signed and officially notarized.*

15. Poaching

LFI prohibits current and former Members, either directly or through a third party, from promoting another company's business to any currently registered Customers or Members of Life Force International. Members shall not solicit Members or Customers to any other REFERRAL MARKETING, network marketing or direct sales business except those Members they personally sponsored.

Personally sponsored is a term given to a Member who is both the registered enrollment and placement sponsor of a Life Force Customer or Member.

Violation of this policy by a Member constitutes voluntary resignation and cancellation of their Independent Member status, effective the date of the violation, and the forfeiture of all bonuses payable for and after the calendar month in which the violation occurred. If LFI pays any bonuses for and after the calendar month in which the violation occurred, these shall be refunded to LFI. Any cross sponsorship or cross recruiting is strictly prohibited, and may result in disciplinary measures listed in policy 57.

Violations of this policy are especially detrimental to the growth and sales of other independent Members' businesses and to LFI's business. Therefore, LFI may seek and obtain from the violating Member damages for violations of this policy. If litigation or arbitration is undertaken to recover bonuses or damages as specified herein, the prevailing party shall be entitled to an award of legal fees and expenses.

16. Proprietary Information and Trade Secrets

By joining LFI, an Independent Member acknowledges that all Membership information contained in any report provided by LFI that includes, but is not limited to, names, email addresses, mailing addresses, and telephone numbers of LFI Members and Customers is considered LFI's proprietary trade secret

information. The Member agrees not to disclose such information to any third party or use such information for non-LFI purposes. The Member acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to LFI and to independent LFI businesses. LFI and its independent Members will be entitled to injunctive relief to prevent violation of this policy. If litigation or arbitration is required to obtain injunctive relief or to recover damages, the prevailing party shall be entitled to an award of legal fees and expenses.

INDEPENDENT MEMBER & SPONSORING POLICIES

17. Direct Solicitation to LFI

From time to time, LFI may receive inquiries from the public about its products and opportunity. When this occurs, the company tries to ascertain whether the contact with the company resulted from a Member's sponsoring/prospecting efforts. If so, the inquiring party will be referred to that Member. Prospective Members and Customers, who have simply heard of LFI without any discoverable contact with a Member, will be informed of their need to have a sponsor. LFI will not distribute leads.

18. Sponsoring

Members have the right to recruit or sponsor others into an LFI business. If a Member chooses to place a new enrollee somewhere other than on their first level, they are only permitted to do so within the same downline leg of the enrollment sponsor.

Any Member who sponsors other Members must fulfill the obligation of performing bona fide supervisory, training and selling functions in the marketing of LFI products and program benefits. First, sponsors should teach their organization that nutritional and dietary supplements are food products—not medicines. Second, during their marketing presentations, sponsors must not make exaggerated claims of financial rewards. Ultimately, sponsors are compensated for the products distributed through their sales and marketing organizations.

19. International Sponsoring

Members may only sponsor people in countries where LFI is authorized to conduct business. Legal requirements differ for each country, so sponsors should not assume that Membership requirements are the same worldwide. Some countries, for example, legally require both application forms and fees. International sponsors are subject to the

policies and procedures set forth by LFI in each country where they build a marketing organization. Also, Members should be aware that prices vary from country to country due to governing economic influences such as taxation, freight and importation duties. LFI Members must utilize only authorized distribution channels to build their marketing organizations. Members may not individually import, export or distribute LFI products or business building tools in any country. Violators of this policy shall be subject to the laws governing that country. Violators of this policy are likewise subject to the disciplinary measures listed in policy 57.

20. Unauthorized Countries

Members are not allowed to sell, advertise, market, or ship LFI products, the business opportunity or any other LFI related services to countries LFI does not have official authorization to conduct business in. Violation of this rule may lead to legal problems, which is very damaging to LFI's reputation and standing with regulatory agencies. Members who participate in this activity will be held directly liable and will be subject to the disciplinary actions detailed in policy 57.

21. Enrollment and Placement Sponsor Changes

It is highly recommended that all new Members be placed on the first level of their Enrollment Sponsor upon registration, meaning that the Enrollment Sponsor and Placement Sponsor is the same person. Any placement of a new Member or Customer other than on the first level will be considered the Enrollment Sponsor's one placement for that Member or Customer. Upon registration, a Member or Customer understands that his/her Enrollment Sponsor may change their Placement Sponsor following the guidelines below.

All Enrollment and Placement Sponsor changes or transfers must be sent to LFI in writing on the specified form.

All Members agree that the decision to allow or disallow a transfer of Enrollment or Placement Sponsorship, and whether the required approvals have been obtained, will be at LFI's sole discretion.

21A. New Enrollee Placement Change

An Enrollment Sponsor will have three full calendar months from a new Member's registration date to place this first level Member on a lower level in the Enrollment Sponsor's downline organization. The same three calendar month time period applies for Customer placement changes. For example: If a new Member or Customer joined on January 15th,

the Enrollment Sponsor would have until the last day of April to place that new Member or Customer anywhere in their downline. The placement change of a new Member may only occur one time. Multiple Membership moves will not be permitted.

Any downline the new Member has generated during the initial three calendar-month period, and up until the change is made in the genealogy, will be moved with them in the event of a placement change.

Enrollment sponsorship may also be permanently transferred to the new Placement Sponsor during the initial three-month period. This is optional and must occur at the time of Placement Sponsor change. After the initial three full calendar month period, enrollment sponsorship cannot be transferred. However, in the event that a Member or Customer's Enrollment Sponsor resigns or terminates, enrollment sponsorship will be transferred to the resigning Member's Enroller.

The placement change request must be submitted on the New Enrollee Placement Change Form, and must include the Enrollment Sponsor's signature. The placement change form must be received by LFI no later than midnight on the last day of the third full calendar month from the new enrollee's date of registration.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

21B. Platinum and Above Biannual Placement Change

The Enrollment Sponsor of the Member to be transferred must be a Platinum or above in the month prior to requesting the change. Both the new Placement Sponsor of the transferred Member and the Enrollment Sponsor must be on a minimum of 100 BV Autoship.

The Enrollment Sponsor may place a Member along with his/her downline on a lower level in the Enrollment Sponsor's downline organization. This move can only be made if the organization to be moved has no more than 9,999 BV within six levels of uncompressed volume for the month previous to when the change will be processed. In addition, the new Placement Sponsor's organization must have a greater total group volume than the organization being moved under him/her. Organizations with greater than 9,999 BV within six levels of uncompressed volume for the month prior will not be permitted to move. Only one of these moves will be allowed in any 6-month

period. The placement change must be submitted on the Biannual Placement Change Form and must include the notarized signatures of the current six direct upline Members, the Enrollment Sponsor submitting the request, and the transferring Member.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

21C. Changes in Upline Placement Sponsor

An individual Member may request to change their Placement Sponsor at any time. Upon approval by LFI, the Member requesting an upline placement sponsor change will receive a new LFI identification number. The Member's existing downline organization will roll up to the immediate previous sponsor, and the enrollment sponsorship of any Members who had been previously enrolled by the transferring Member will be transferred to the resigning Member's Enroller.

The upline placement change must be submitted on the Upline Placement Change Form and must include the notarized signatures of the Enrollment Sponsor and the current six direct upline Members. Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

21D. Upgraded Member Placement Change

Customers may elect to change their status and become a Member at any time during the calendar month. If a Customer chooses to upgrade to Member, the Enrollment Sponsor will have three full calendar months to place this Member on a lower level in the current Placement Sponsor's downline organization.

Any downline that the newly upgraded Member has generated during the initial three calendar month period from the time they upgraded, and up until the change is made in the genealogy, will be moved with them in the event of a placement change. If this newly upgraded Member has not yet established a downline, the Enrollment Sponsor may elect to move this Member anywhere in their downline organization.

The placement change request must be submitted on the Upgraded Member Placement Change Form, and must include the Enrollment Sponsor's signature. In addition, if the enrollment sponsor requesting the placement change is not the current Placement Sponsor, then the notarized signature of the current Placement Sponsor is also required to complete the request.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

22. Sponsor Change Processing Deadline

Transfer requests will be accepted at all times; however changes will only occur between the 10th and 22nd of any calendar month. Any changes received after the 22nd of any calendar month will be effective for the following month. All Members agree that the decision to allow or disallow a transfer of sponsorship, and whether the required approvals have been obtained, will be at LFI's sole discretion.

If a signature or required notary stamp is missing when LFI receives the documents, the deadline of the 22nd will not be extended. The corrected form will be reviewed for the following month. Any changes that have not been received in complete form will be sent back to the Enrollment Sponsor listed on the form.

23. Upline Sponsor Signature Policy

If an Enrollment Sponsor, after a reasonable amount of time (or "after a reasonable attempt"), cannot obtain one of the six direct upline notarized signatures required for Platinum and Above Bi-Annual Placement Change (Policy 21B) or a Change in Upline Placement Sponsor (Policy 21C), the following steps shall be taken:

- a. LFI will send a certified letter to the unresponsive upline sponsor requesting his/her response to the Placement Change request within ten business days from the day of receipt.
- b. If no response is received by LFI within ten business days, LFI will allow the notarized signature of the next upline sponsor in the upline signature tree (above six levels) to replace the unresponsive upline sponsor's signature for that move.
- c. LFI will send a second certified letter to the unresponsive upline sponsor regarding future notarized requests for Placement Changes. If no response is received by LFI within 30 days, the upline sponsor will be permanently removed from the upline signature tree and their signature would not be required for any future placement change requests that require the six direct upline signatures.

Any Member found promoting any other referral marketing, network marketing, or direct sales business constitutes voluntary resignation and cancellation of their right to withhold their notarized signature on a Platinum and Above Bi-Annual Placement Change or a Change in Upline Placement Sponsor request.

24. Notary Policy

If a notary has any connection or interest in a change being processed that requires notarized signatures, he/she may not be used for the required signatures. The signing Member must commission a notary in the same state that the documents are signed and notarized. In addition, each notarized signature must be stamped and dated the day it is witnessed.

BONUS & COMPENSATION POLICIES

25. Bonus Qualifications

Members must meet published personal retail sales requirements as well as supervisory responsibilities to qualify for bonuses, advancements or incentives. These requirements are detailed in approved LFI literature and apply to each bonus period.

All bonus errors must be reported within 60 days for review. LFI will not be responsible for any errors or omissions reported after 60 days.

26. Checks and Business Management System

Bonus checks are mailed by LFI to Members on the 10th day of each month for bonuses earned during the previous month. When the 10th day of the month falls on a weekend or national holiday, checks will be mailed on the next business day. Any checks for \$5.00 or less will be held and added to the next month's check.

The bank will not honor bonus checks that have not been cashed for more than 90 days. Members in possession of expired bonus checks will be issued a replacement check upon receipt by LFI of a written request from the Member to whom the original check was issued. The original check must accompany the replacement request. Lost checks require a \$15 stop payment and reissue fee.

A Business Management System (BMS) will be printed for Members receiving a bonus check. The BMS will show the calculation of a Member's bonus in detail. Members should use their BMS as a tool to manage, supervise and train the Members of their MARKETING ORGANIZATION. For Members paid as an Associate 3 through Silver, a printed version accompanies your bonus check, and a small monthly fee is deducted from your check. For Members paid as Gold and above, an online version is provided for viewing anytime during the month, and a small monthly fee is deducted from your check. If a Member wishes to discontinue the online BMS and revert to the paper BMS accompanying their commission check,

the Member may contact the Customer service department to do so.

PURCHASING & ORDERING POLICIES

27. Ordering Product

Using their Identification Number, Members or Customers may purchase products directly from LFI. We encourage Members to order early in the month. All orders are credited to the calendar month in which they are received by LFI. Orders may be placed by telephone, mail, email, website, or fax. Orders may be paid in cash, by personal check, electronic debit, money order, postal order, cashier's check, Visa, MasterCard, American Express or Discover. When paying by credit card, please include the card number, expiration date and CVN/AVS number.

Email an order to:

lifeforce@lifeforce.net

Fax an order to: 1-800-809-8208

Telephone an order to: 1-800-531-4877

28. Automatic Orders

When Members and Customers choose to have their products automatically shipped to them on the day of the month they specify, the Members, the Customers and LFI all save money. Both Members and Customers purchase products at low factory-direct prices from the company. Automatic-order Members and Customers, however, enjoy an additional discount. We are able to offer this discount due to the improved efficiency automatic shipments promote. Furthermore, autoship Members and Customers are free to place additional orders and enjoy the same low autoship prices. The automatic order program provides two options:

- a. Autoship – The products a Member/Customer designates will be automatically processed each month on the day they specify, regardless of any other orders they have placed during the month. The Member/Customer can change the order up to five business days prior to the processing date.
- b. Autoqualify – The Member/Customer must designate a minimum business volume order. This order will be activated only when the total business volume of all orders placed prior to the processing date is less than the established Autoqualify order on file. All Autoqualify orders are processed five business days prior to the end of the month. The Member/Customer can change the order up to five business days prior to this processing date.

When the processing date of an automatic order falls on a weekend or holiday, the order will be processed the previous business day. To sign up for Autoship or Autoqualify, simply call Customer Services at (800) 531-4877 and let them know. They will gladly help place the first Autoship or Autoqualify order and establish a processing date.

Automatic orders may be paid by electronic debit, Visa, MasterCard, American Express or Discover.

29. Autoship Cancellations

Automatic order cancellations must be received by LFI via phone, mail, email or fax at least five business days prior to the processing date. For prompt processing, request must include the Member/Customer Name and Identification Number. If an autoship package is returned or refused, the automatic order may be cancelled and the Membership may be subject to the disciplinary measures listed in policy 57. The terminated Member may not reapply for Membership for three calendar-months following the month in which the termination occurred.

30. Inventory Loading and the 70% Rule

As an LFI Member, primary emphasis should be placed on product sales and distribution to end users. Members may purchase products for personal consumption and such sales are recognized as retail sales for end user consumption. However, the company does not require its Members to maintain an inventory and acts as a fulfillment house by servicing Customers who purchase factory direct.

The company expressly prohibits purchases of products solely for bonus qualification. Any Member found to be promoting inventory loading may be subject to the disciplinary actions listed in policy 57. LFI reserves the right to verify that inventory loading is not being practiced by randomly sampling those Members receiving bonus checks. Members must certify that over 70% of previously purchased company products have been sold or consumed before further products can be ordered.

Members who are residents of Georgia, Indiana, Maine, North Dakota, Michigan, and West Virginia are limited to purchases of \$495.00 during their first 6 months of Membership. If purchase limits are established by other states, this policy shall be automatically modified to comply with the law.

31. Returned Remittances and Delinquent Payments

Returned checks and rejected payments constitute a breach of the agreement, and a service fee will be charged. It is strictly a Customer or Member's responsibility to keep their method of payment current. Expired credit cards, returned checks or insufficiently funded debit accounts may result in a loss of earnings. Orders will not be shipped, and sales volume will not count if payment has not been collected.

Returned checks and rejected payments will result in a \$25.00 charge. A second returned check results in a further \$25.00 charge and loss of privilege to purchase by check.

Payments of returned checks and delinquent payments are to be made via money order, cashier's check or credit card only.

In the case of automatic orders, if payments are declined three consecutive months, the automatic order will be permanently cancelled.

32. Unauthorized Purchases

Any sponsor who registers a new Customer or Member without their authorization and then places an initial or automatic order for the new person without their permission, will be responsible for the purchase, all shipping and handling fees, and a 10% administration fee. Offenders are also subject to the disciplinary measures listed in policy 57.

33. Back Orders

If an item ordered is temporarily out of stock, the packing order will have the notation "Back Ordered" under the product description. Once the product is available, it will be shipped priority at no additional charge. Back ordered products are paid for when ordered. BUSINESS VOLUME is accrued for the bonus period in which the order was placed.

34. Order Errors

Members should notify LFI immediately of any errors or questions about orders or charges. All packages are accurately weighed and contents are recorded, however, in the unlikely event an item is missing from a package, contact the company within five business days of receipt, otherwise, it will be assumed that the complete order was received.

LFI will correct any charge errors that are reported within 60 days, but LFI will not be responsible for

any errors, omissions or problems not reported within 60 days.

35. Shipping

Orders received and processed prior to 2:00 p.m. (PST) Monday to Friday should normally be shipped the same day. Orders received and processed after 2:00 p.m. (PST), on weekends, or on holidays should be shipped the next business day.

36. Postage Charges and Options

LFI has no minimum order restrictions. All orders are shipped via the carrier under contract with LFI and these charges are passed on to the end consumer. Alternative shipping options are available at the market rate. Ask a Customer service representative for details.

37. Will Call Orders

Will Call orders are available at the Life Force distribution facility. All orders must be placed at the will call desk whether they are paid by credit card, electronic debit, cash, personal check or money order. Members and Customers who wish to receive their automatic order at the will call counter must select the Autoqualify option and place their qualifying will call order prior to the autoqualify processing date. Will call is not available for the Autoship option.

38. Customer Product Guarantee

If a Customer cancels an order placed directly with LFI within 72 hours of purchase, LFI will refund 100% of the purchase price, including shipping and handling fees and tax (if applicable). If the order has been shipped within this time period, return shipping fees are the responsibility of the Customer. LFI will process these refunds within ten business days of receipt of the product(s).

If, after purchasing Life Force product(s) and using them for a reasonable amount of time you are not completely satisfied, you shall receive a 100% refund or replacement, less shipping and handling costs when product(s) are returned either used or unused and received by LFI within 45 days of purchase date. Once LFI's shipping department receives the product(s), refunds will be issued within 30 days. Returns exceeding 45 days of the purchase date will not be honored, whether the product(s) are sealed or opened. Return shipping fees are the responsibility of the Customer. Proof of purchase (invoice, copy of invoice, or invoice number) is required for all refunds and replacements.

To maintain BV statistics, Life Force will not process returns on the last two business days of

the month, but will instead process these returns on the first business day of the next month.

39. Member Product Guarantee

When a Member purchases product(s) from LFI, the Member shall receive a 100% product price refund or replacement, less the original shipping and handling costs when products are returned either used or unused and received by LFI within 45 days of the purchase date.

After 45 days, but within 12 months from the purchase date, Members are eligible to receive a 90% product price refund or replacement less shipping and handling, only if the products have been unused and are within the appropriate shelf life period stamped on the product label. Seasonal, discontinued, or special promotional packages along with non-mandatory elective sales aids are limited to the 45-day return time limit. Once LFI's shipping department receives the product(s), a refund will be issued within 30 days. Return shipping fees are the responsibility of the Member. Proof of purchase (invoice, copy of invoice, or invoice number) is required for all refunds and replacements.

To maintain BV statistics, LFI will not process returns on the last two business days of the month, but will instead process these returns on the first business day of the next month.

LFI will honor refund policies provided by any state or federal law applicable to the Member (Georgia, no time limitation and Massachusetts, no time limitation on monthly qualification purchases). LFI will clawback all bonuses and incentives paid to Members relating to the purchase of the products being returned. Any refund requests may cancel the Independent Member Agreement at the option of LFI. However, LFI will interpret the following actions as the Member voluntarily resigning their Membership: 1) A Member makes three returns for refunds in a rolling 12-month period; or 2) A Member returns over \$300 worth of merchandise at any given time.

40. Retail Customer Purchase from Member

When an independent Member sells product(s) to a retail Customer totaling at least \$25, they are required to provide at least two copies of the sales receipt with the retail Customer policy, reviewing the return and cancellation rights entitled to the purchaser. A retail Customer is defined as a person who is not registered with LFI that purchases product(s) from an independent Member.

If a retail Customer makes a purchase from an independent Member, that Customer has the right to notify the selling Member of their desire to cancel their order without penalty, reason or obligation within three business days from the purchase date. (*Note:* This rule does not apply if the transaction is made entirely by email, telephone, or mail order.) To cancel, a retail Customer is required to deliver a copy of the sales receipt to the Member. Mailed receipts must be postmarked by midnight of the third business day. Monday through Saturday are considered to be business days. Sundays and federal holidays are not. The retail Customer will then keep the other copy of the sales receipt for personal records. The Member must refund the Customer 100% of the total order amount originally paid within 10 days of receiving the receipt and cancellation notice.

When a retail Customer cancels their order, they must return the product(s) to the Member in as good of condition as it was in when it was purchased. The product(s) will need to be received by the seller within 20 days of the date of the cancellation notice. If the Customer makes the product(s) available to the Member and the Member does not pick them up, that individual may either keep or dispose of the product(s). If the Customer fails to make the product(s) available to the selling Member or if the Customer agrees to return the product(s) to the Member, but fails to do so, then they will remain liable for the performance of all obligations under the original contract. In the event the product(s) are shipped back to the Member, the shipping fees incurred are the responsibility of the selling Member.

All Members are expected to honor the retail Customer policy in a prompt and courteous manner. Failure to do so is a serious violation of LFI's policies and may result in disciplinary measures listed in policy 57.

ADVERTISING & MARKETING POLICIES

41. Product Display & Retail

LFI strongly supports home-based businesses and personal product presentations. To maintain a standard of fairness, Members may not stock or sell LFI products at retail establishments. Retail establishments are defined as businesses that are available for open entry by the general public and its primary function is the retail sale of products.

Examples of these would include health food stores, pharmacies, grocery stores and

supermarkets, kiosks, chain/franchise stores, flea markets, swap meets and malls. Owners of retail establishments may be sponsored into LFI, but are required to conduct their business outside of the establishment. A small promotional display of literature with the sponsor's contact information is allowed with an empty container of product at the sales counter.

LFI further prohibits the retail sale of products through any online retailer or auction sites, including, but not limited to, currently operating commercial auction sites. This policy is necessary to protect the integrity of the company and its products and is not intended to harm the Member in any manner.

Members who have service-oriented offices will be allowed to display and sell products within their place of business. A service-oriented establishment is defined as a business where entry by the general public would require a Membership or appointment and its primary function is the sale of professional services.

Examples of these would include doctor's offices, chiropractors and other health professionals, health clubs/gyms, barbers, salons/spas, nail shops, or counseling centers. Exterior signs or window displays are not allowed at any location.

42. Restaurants/Coffee Houses/ Juice Bars

LFI will permit establishments such as restaurants, coffee houses, and juice bars to add LFI products to the foods and beverages produced by the establishment. However, retail sales of LFI product individually are not permitted per policy 41.

A small promotional display of literature with the Member's contact information along with an empty container of product at the sales counter is permitted.

43. Resale Product Pricing

Members are free to resell LFI products to Customers at current market prices at their own discretion. However, at no time shall a Member be permitted to sell or market the sale of LFI products at any price below the Company "factory-direct prices." Factory-direct prices shall be defined as those prices regularly available from the Company, excluding Autoship pricing.

Violation of these policies may result in disciplinary measures listed in policy 57.

44. Reproduction of LFI Materials

The use or reproduction of any current or previously LFI published material is not permitted without the written consent of LFI.

45. Trademark, Service Mark, and Trade Name Restrictions

Members may not, in their independent marketing material, use, reproduce, or disseminate LFI's corporate logo, registered trademarks or service marks except in the use and dissemination of literature or other published items made available by LFI. This applies to all trademarks or service marks designating products or services offered by LFI. Members are allowed to use LFI's trade names and product names when describing or discussing LFI, the business opportunity and LFI's products in their sales aids. This may include, but is not limited to using the acronym "LFI", the terms "Life Force" or "Life Force International" and any product names. However, a website domain name, redirect website link or email address created by an independent Member may not contain any of LFI's trade names and/or product names.

Examples of these would include:

support@lifeforcesupport.net
www.osteoprocurehealth.com
info@LFItteam.net

Members may use the "Independent Member" logo developed by LFI on business cards, letterheads, envelopes or any other advertising (see policy 47). The independent Member logo may not be combined with any non-LFI products or services.

46. Unsolicited Fax and Phone Blasts

Soliciting anyone for product sales, business opportunities, or other marketing ventures by fax or phone blasts without their prior consent or request is prohibited. Violation of this policy may result in disciplinary measures detailed in policy 57.

47. Restrictions on Advertising

Members who create, publish, or distribute any literature, audio or video tapes, telephone ads/messages, radio or television ads, materials or merchandise representing LFI, its products, services, compensation plan or business opportunity, other than that which is provided by LFI, or that which contains only information that is set forth in the current marketing materials of LFI, take full responsibility for the content of such advertising and are expected to stay abreast to current guidelines to help ensure their material

is within compliance. Life Force International is not responsible or liable for marketing materials Members create outside of corporate sanctions.

Each promotional item independently created by an LFI Member that promotes LFI, its products, services or compensation plan must be truthful, substantiated and not misleading. In addition, the following disclaimers must be present at the end of a Member's marketing piece: "Distribution within the U.S. market only" and "This [Insert type of advertising] was prepared by an Independent Life Force International Member." For those Members who create an independent website, these statements must be present on every page of the site. The above-mentioned statements must appear in a manner that is both clear and conspicuous to the reader.

If a Member chooses to make a product structure/function claim in their advertising, the only structure/function claims authorized for use are the ones pre-approved by Life Force International as detailed in the Member Marketing Guidelines. A structure/function claim is defined as a claim that describes the role of a nutrient or dietary supplement that affects the normal structure, function or general well-being of a person. At the end of a structure/function claim, an asterisk (*) must immediately follow. Furthermore, in close proximity the following FDA statement in a hairline box must appear:

*These statements have not been evaluated by the FDA. These products are not intended to diagnose, treat, cure, or prevent any disease.

LFI strongly encourages Members to use corporate sanctioned materials. LFI is available to provide assistance to Members who have questions about marketing policies in relation to creating their material. However, LFI cannot provide an official review or approval code for any independently created marketing material, including websites. Marketing Guidelines are provided on the corporate website to assist Members in ensuring independent materials are within compliance.

Violation of this policy could cause misrepresentations or other legal improprieties in the display, advertisement, or promotion of LFI products, services or marketing plan, which could be injurious to LFI's image, reputation, and standing with various regulatory agencies. A Member who creates and uses promotional materials outside of compliance and company guidelines will be held personally liable and will be subject to the disciplinary measures listed in policy 57.

48. Independent Member Website Policy

Life Force Members may create websites that promote LFI, its products, services or compensation plan, however must meet the requirements set forth in policy 47.

In addition to the requirements detailed in policy 47, Member websites that have any testimonials, product structure/function claims or general statements pertaining to LFI products/product ingredients must be a minimum of two web-page clicks away from where the products can be purchased. The clicks cannot contain additional testimonials, claims or comments about LFI products and/or product ingredients. Refer to the Member Marketing Guidelines for further details. For optimum security, Life Force International encourages Members who take product orders to provide a redirect link to either the LFI corporate website or a Member's self-replicating site provided by LFI as an alternative to keeping payment records in unspecified locations.

Life Force International is aware that many LFI Members sell and promote products and business opportunities aside from LFI. In order to maintain the LFI level of excellence and product integrity, all Life Force Members web sites shall be solely limited to promoting and selling Life Force products. No competitive products and services may be included or linked to the Member's web site.

Violation of these policies may result in disciplinary measures listed in policy 57.

48a. Spamming

Spam is defined as an unsolicited email or electronic message, often of a commercial nature that is sent indiscriminately to multiple mailing lists, individuals or newsgroups. Spamming to Internet users is prohibited. Violation of these policies may result in disciplinary measures listed in policy 57.

48b. Free Product Giveaways

In order to maintain a standard of fairness to all our Members, we must limit the number of bottles of product that can be given free with a purchase. For all print media and websites, one (1) bottle of the product of your choice may be given away free for every eight (8) bottles of products purchased. This is capped at a maximum of one (1) free bottle of product given away free per eight (8) bottle order. No more than one (1) bottle of free product can be given away per order, regardless if more than the

minimum of eight (8) bottles is being purchased. Any order less than eight (8) bottles purchased, is not eligible for a free product giveaway.

48c. Free Shipping Offers

Free shipping can only be offered on first time orders, with the commitment of autoshipment. Offers cannot be combined. Either a free product may be given away (see policy 48b above) or free shipping may be offered. This can only be offered on the first order and cannot be ongoing.

49. Lead Generation and Downline Building Services

Members should carefully consider whether to organize or participate in lead-generation campaigns or downline-building organizations. LFI does not endorse or guarantee success in such programs. In addition, all lead generation and other related downline building services are prohibited from being displayed, linked, or used in a Member's independent website.

50. Trade Shows and Fairs

LFI Members are allowed to display and sell LFI product at venues such as trade shows and fairs. It is expected that the Member conduct him/herself in a fair, honest, reputable manner and follow all of the company's advertising and marketing guidelines. The advertising, distribution, or marketing of products or services not related to LFI will not be permitted at the same table or booth with LFI's materials. In addition, the display table or booth used must be clearly represented as an independent Member's presentation, not as an LFI corporate-sponsored presentation.

51. Audio & Video Advertising

Audio and video advertising created by Members, including but not limited to radio and television ads, slide shows, tapes, compact discs, computer generated audio files, must adhere to the guidelines set forth in policy 47. It is also required that the advertisement follow a detailed transcript verbatim to forgo any unapproved information from being relayed. As reviewed in policy 54, in the event that a Member is contacted by the media inquiring about LFI's products, compensation plan or services, the Member must refer the media representative to the LFI corporate office.

In addition, for audio and video ads, the following disclaimer statement must be stated: "This advertisement has been paid for and produced by (Member's name), Life Force Independent

Member". Members are expected to follow the marketing guidelines set forth as to what can and cannot be said about LFI products, services and/or business opportunities.

52. Member Telephone Message

When Members create a phone message for their LFI business prospects, they are required to clearly state that they are an independent Member of LFI. This is necessary to ensure that the caller is aware that they are speaking to an individual Member and not the corporate office.

Examples of this would include: "You have reached the voicemail of (Member's name), Independent Life Force Member", or, "Thank you for calling Life Force Independent Member (Member's name)."

53. Telephone Yellow/White Page Listing

If a Member chooses to post a listing for the yellow or white pages, their listing would need to be listed under one of the following sections: health supplements/foods, food supplies, holistic/alternative health, nutrition, herbs, fitness, or beauty. The only information allowed to appear is the Member's name, LFI identification (ID) number, "Life Force Independent Member," and a contact phone number. The use of any images, including the Independent Member logo, is not permitted for use in this sort of advertising.

Example:

Mary Smith

Life Force Independent Distributor

ID#123456

(xxx) xxx-xxxx

MISCELLANEOUS POLICIES

54. Media Inquiries

It is LFI's policy to have a single spokesperson handle all corporate inquiries from the media and all media relations. Therefore, Members may not for any reason act as the legal representative or LFI spokesperson if approached by the media regarding LFI, its compensation plan, its products, or services (see policy 4). It is in violation of this policy for a Member to represent him/herself as such, regardless of whether the information is positive or negative, accurate or inaccurate. All inquiries Members receive from the media (whether radio, television or print) must be referred to LFI.

55. Member/Employee Relations

Company employees are trained to be courteous and professional in all contact with the public. Should a Member ever receive less than this

from company personnel, they should document the situation and forward it to an executive staff Member for immediate review.

Members are expected to extend these same courtesies when dealing with corporate office staff, via telephone, internet or in person. Company employees are not required to endure any abuse. Whenever they feel this is occurring, they are to turn the call over to a supervisor. If this is not possible they are to politely end the conversation and document the incident. This documentation will also be forwarded to company executives for review. In severe circumstances offending Members may be subject to the disciplinary measures listed in policy 57.

56. Compliance Claim and Investigation Procedure

The responsibility and duty of the LFI compliance department is to make sure all inquiries, investigations and grievances related to the policies and procedures are handled in a fair and objective manner without prejudice to any party. Because of this, the compliance department must act on claims that can be substantiated with proof of the alleged violation in question. LFI will not tolerate or condone Members participating in filing untrue claims for any reason. Reports of alleged policy violations or questions must be submitted in writing to the attention of the compliance department. Upon receipt of such items, the compliance department will conduct all necessary research and follow through with all parties accordingly.

57. Disciplinary Measures

All of the policies in this Statement of Policies, which constitutes the Independent Member Agreement, and any other agreements entered into by and between LFI and the Members are material terms to the agreement between LFI and the Members. Any violation of the terms and conditions entered into by and between LFI and the Members or the Statement of Policies or any illegal, fraudulent, deceptive or unethical business conduct by a Member may result, at LFI's discretion, in one or more of the following corrective measures:

- a. Issuance of a written warning;
- b. Imposition of a fine to be withheld from future commission checks;
- c. Suspension or termination of current and future commission checks;
- d. Reassignment of all or part of their marketing organization;

- e. Suspension of their independent Member agreement;
- f. Termination of their independent Member agreement;
- g. Any other measure expressly stated within the policies set forth in the Statement of Policies.

Should a Member be terminated for cause, any rollups will be at the sole discretion of LFI. Should a terminated Member wish to re-apply for Membership, approval from a senior Executive will be required.

58. Indemnity

Each Member shall hold the company harmless for any claims, damages, or liabilities arising from the Member's misrepresentation, negligence or failure to follow these policies and procedures.

59. Statutory Precedence

LFI's Statement of Policies is subject to the prevailing laws governing our industry. These laws take precedence over any item included herein.

60. Program Modifications

In order to maintain a viable business and to comply with governing laws and economic conditions, LFI has the sole right and discretion to modify its compensation plan, product line, pricing or policies without notice. Such modifications shall be immediate.

61. Social Networking Site

If a Life Force Member or Customer belongs to a social networking site, i.e. Facebook, My Space, Twitter, etc. they must represent themselves as an Independent Member of Life Force International to avoid confusion with the corporate account. For example, the account name would need to read "Life Force International Independent Member, or "Independent Member, Life Force International.

GLOSSARY OF TERMS

Identification number – The computer-generated number used by LFI to establish a genealogy, track sponsoring efforts, purchased products and generates bonus payments.

Household – Lifetime partners, immediate family (parents, children or spouse) or dependents residing at the same address.

Referral marketing – A method of marketing whereby Members refer Customers and other Members they enroll directly to LFI for product purchases. Both Members and Customers enjoy the same factory-direct pricing, but only Members are compensated for promoting LFI and for building a marketing organization.

Business volume – The volume assigned to product purchases used to calculate bonuses and award incentives.

Bonus recap statement – The accounting record LFI prepares monthly that tracks purchase activities for a marketing organization.

Marketing organization – All levels of individuals and business entities for which LFI provides compensation.

Enrollment sponsor – A Member of LFI who personally enrolls other individuals as Members or Customers.

Placement sponsor – A Member or Customer's immediate upline.

Life Force Australasia
STATEMENT OF POLICIES AND PROCEDURES
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CODE OF CONDUCT DECLARATION

Life Force International (subsequently referred to as “LFA” or the “company”) has established the following code of conduct to guide the appropriate, efficient and ethical operation of LFA. We require our members and customers to abide by the letter and spirit of this code that forms our contract with all registered parties of LFA.

1. Member Obligation

LFA members will:

- a. Conduct themselves in an ethical and professional manner;
- b. Sell the company’s products in accordance with the Company’s compensation plan;
- c. Make it clear that success in LFA’s compensation plan is based on retail sales rather than sponsoring;
- d. Represent the compensation plan only as prescribed by LFA;
- e. Comply with applicable consumer protection laws and regulations; and
- f. Provide training, motivation and support to members in their organization.
- g. Maintain current and accurate information concerning the address, phone number, email, ABN/GST numbers, method of payment and any other data on their file.

LFA members will not:

- a. Engage in deceptive, unlawful, or unethical business or recruiting practices;
- b. Engage in high pressure selling or recruiting practices;
- c. Make misleading sales claims or guarantees concerning the company’s products;
- d. Make misleading claims or guarantees concerning potential earnings;
- e. Sponsor or enroll minors or persons who are not capable of making an informed decision;
- f. Conduct business activities in countries other than those approved by LFA;
- g. Purchase Business Volume on another member or customer’s account to qualify for any LFA bonus or commission;
- h. Seek in any way to violate or circumvent LFA policies.

2. Obligations of LFA

The company will:

- a. Conduct itself in an ethical and professional manner;
- b. Administer the policies and procedures of the company fairly, without prejudice or favor;
- c. Provide worldwide liability insurance on its products when used in accordance with the instructions on the label;
- d. Compensate members in accordance with LFA’s approved compensation plan;
- e. Process orders and ship products in a timely fashion;
- f. Provide members with the organization and volume information required to manage business activities; and
- g. Comply with all laws governing the sale and distribution of products and the compensation of participants.

The company will not:

- a. Guarantee success in LFA;
- b. Provide any commissions for the recruitment of others;
- c. Tolerate members pressuring prospects into purchasing large quantities of inventory;
- d. Tolerate misleading product claims;

- e. Tolerate members “stocking up” on products merely to obtain commissions;
- f. Advise members on their personal account management;
- g. Represent that there is any substitute for hard work and preparation;
- h. Tolerate the publication of non-approved advertising or marketing material;
- i. Tolerate any unconscionable conduct unbecoming a member of LFA;
- j. Tolerate members purchasing Business Volume, or soliciting other members to do so, on another member or customer account other than their own to qualify for any LFA bonus or commission.

Violation of these policies may result in disciplinary measures listed in policy 56.

ADMINISTRATIVE POLICIES

Membership Policies

1. Becoming a Customer

LFA defines customers as persons who simply wish to purchase products and choose not to participate in the LFA income opportunity. Anyone may become a customer at absolutely no cost whatsoever and purchase LFA products at low factory-direct prices. Alternatively, customers may purchase directly from their sponsor at a fair and equitable retail price. To become a customer, you must have a sponsor. Bonuses on customer purchases will be paid to the sponsoring organization.

Unlike members, customers do not need to provide LFA with an ABN or GST number. For account management purposes, a customer will be assigned a computer-generated Identification Number (ID Number) which they should use when ordering products or making account inquiries. In addition, to remain active a customer must purchase products at least once every twelve months. However, LFA reserves the right to accept or reject any customer at any time.

In the event a customer is registered under a business name, it is required to have the contact name for the owner/manager of the business entity.

Customers may elect to change their status and become a member at any time during the calendar month. Should a customer become a member, the newly converted member will be eligible to change their placement sponsorship as detailed in policy 20D. Any new downline the upgraded member has built will be transferred upon completion of the placement change. The enrollment sponsorship of the upgraded member however cannot be transferred.

2. Becoming a Member

Membership in LFA does not constitute the sale of a franchise or distributorship and no product purchase is required as a means to obtain the right to become an LFA member. A person may be awarded a membership as an individual, or in the form of a bona fide business entity or partnership.

Should a business entity register as a member, the point of contact for the business entity will be subject to the policies and procedures as if they were the member. In addition, there must be a contact name for the owner/manager of the business entity as well.

To become a member and participate in the LFA compensation plan, an individual must:

- a. Agree to abide by the LFA policies and procedures;
- b. Be of legal contractual age in their state and country of residence;
- c. Have a sponsor;
- d. Provide LFA, by phone, email, internet, mail or fax, with their ABN or GST number (if applicable); and
- e. Remain active by purchasing products at least once every six months.

If a registered member of LFA goes six months without making a purchase, at midnight on the last day of the sixth month of inactivity, the member will revert to a customer status. The member's existing downline organization will roll up to the immediate upline sponsor, and the enrollment sponsorship of any members who had been previously enrolled by the inactive member will be transferred to the member's Enroller. As a converted customer, the individual will then have an additional six months to place an order before complete removal from LFA takes place.

If a member calls after being changed to a customer to place an order, they will remain a customer unless they provide their ABN or GST (if applicable) and request to become a member again. A member who upgrades back to a member status after being changed to a customer due to inactivity will not re-obtain their previous downline organization.

Compliance with these requirements entitles a participant to lifetime membership. Membership is not transferable, and cannot be sold or assigned without prior approval of LFA.

Although no product purchase is required to become a member, new member registrations over the telephone where the new member is not present, or registrations via the internet or utilizing any other electronic method where an individual cannot verify their intent to become a member, must include the following:

Full name, address (mailing and shipping), ABN or GST number, telephone number including area code, and both enrollment and placement sponsor's Identification Number. Incomplete electronic applications will be automatically rejected, whether sent via email, internet or fax.

Due to LFA's liberal application process, any registered member who has never placed an order may challenge the validity of their registration and request immediate termination without prejudice, and join under the member of their choice.

Registering members or customers without their permission is not allowed. Anyone caught registering an individual without the permission of the individual being registered shall be subject to the disciplinary measures listed in policy 56.

Although members are authorized to sponsor other members and enroll customers, LFA reserves the right to accept or reject any member.

3. Member Identification

Similar to customers, each member is assigned an Identification Number. This number is used to track sponsoring efforts, product purchases and commission payments.

4. Independent Status

Members associated with LFA are independent contractors. If members do any business, they are responsible for conducting their own business activities without company control or direction and are not an agent, employee or legal representative of the company.

Members are not authorized to incur any debt, expense or obligation on behalf of or for LFA nor bind LFA to any agreement or contract.

Independent contractors have the following responsibilities:

- a. Abide by all laws, rules and regulations pertaining to the acquisition, receipt, holding, selling, distribution and advertising of LFA products and business opportunity;
- b. Be solely responsible for declaration and payment of any associated taxes or fees;
- c. Be solely responsible for any required disability or compensation insurance;
- d. Supply any equipment and tools necessary for operating their business, such as telephone, transportation, professional services, office supplies; and
- e. Provide their own place of business and determine their own work hours.

5. Beneficiaries

Upon death or incapacity, the benefits of this agreement shall inure to the member's heirs or successors in interest and the obligations and benefits of this policy shall be binding upon the respective successors.

In the event of death, the designated beneficiary will need to provide LFA with a certified copy of the final will and testament (or probate decision in absence of a will) along with a certified copy of the Death Certificate.

6. Second Position

Without exception, only members who have achieved the rank of Gold in the LFA compensation plan may have a second position in LFA under the following conditions:

- a. The second position may only be enrolled and placed first level to the first position;
- b. Members and customers originally sponsored under the first position with an enrollment date preceding the second position, may not be transferred to the second position;
- c. The second position must have a separate ABN or GST number (if applicable) and it may be in the name of a spouse, defacto partner, significant other or bona fide business entity but no HOUSEHOLD may have more than two business positions.

A spouse, business/charity organization, or secondary personal account would fall under the category of a second position. In addition, customers would not be allowed to have a second account unless they have become a member and achieved the rank of Gold.

Failure to meet these may be subject to the disciplinary measures listed in policy 56.

7. Third Position

Without exception, only Members who have achieved the rank of 1 Star Diamond in the LFI compensation plan may have a third position in LFI under the following conditions:

- a. The third position must only be enrolled and placed first level to the first position;
- b. Members and Customers originally sponsored under the first position with an enrollment date preceding the third position may not be transferred to the third position;
- c. The third position must have a separate Social Security or Tax Identification number, and it may be in the name of a spouse or bona fide business entity, but no HOUSEHOLD may have more than three business positions.

A spouse, business/charity organization, or tertiary personal account would fall under the category of a third position. In addition, Customers cannot have a third position unless they become a Member and achieve the rank of 1 Star Diamond.

When signing up a third position, the member must identify the position as a third position in their account.

Failure to meet these conditions may be subject to the disciplinary measures listed in policy 56.

8. Multiple Households at a Single Address

LFA has an obligation to ensure that the integrity of its multilevel organizational structure is protected from *stacking*, a manipulation of the compensation plan that negatively affects upline sponsors.

For example, when family members are chain-sponsored one after the other; upline commissions are negatively affected, even cut off. To prevent this situation, multiple households residing at the same address must be enrolled and placed front line to the original member residing at that address. For example, if parents and adult children are living at the same address, all family members must be sponsored front line to the original member of LFA residing at that address.

A spouse, defacto, or significant other can only be enrolled once the level of Gold has been achieved and at no time can one HOUSEHOLD or MEMBER have more than two positions. (See policy number 6)

- a. Individual rent-paying tenants in the same building or residence are not considered a household.
- b. Roommates are not considered a household.

9. Marriage of LFA Members

In the event that two LFA members have separate accounts prior to their marriage, LFA will allow them to maintain their accounts after they are legally wed with the presentation of a marriage certificate, verifying the date of their marriage or legal union for domestic partners.

10. The Divorce/ Annulment of LFA Members

If there is an LFA member account shared by a married couple and those two parties become divorced or have an annulment, they may open separate individual accounts. Both parties would be required to send in a signed written request of their registration along with an official copy of their divorce/ annulment papers before the registrations can take place.

11. Fictitious/Falsified Information

The use of a fictitious name, address, phone number, ABN or GST number (if applicable), or other information for an LFA account is strictly prohibited. Members participating in such

activity may be subject to disciplinary measures listed in policy 56.

12. Change of Name, Business Name, and ABN/GST number

Members and customers are responsible for notifying LFA *in writing* by letter, email or fax of any change in their name, business name, ABN or GST number (if applicable), etc.

Send letters to:

Life Force Australasia
1/16 Lexington Drive
Bella Vista
NSW 2153, Australia
Email: lffanz@lifeforce.net
Fax: 61-2 9854 9101
Telephone: 61-2 9854 9100

13. Voluntary Resignation

Members and customers may resign their membership at any time with a signed and dated letter indicating their intent to discontinue their LFA account. For a member terminating their position, any downline organization affected by the resignation shall be transferred to the resigning member's sponsor. Enrollment Sponsorship shall be transferred to the resigning member's enroller.

Once resigned, a formerly active member or customer may not re-apply for a new account for three calendar months following the month in which the termination occurred or unless they have received the signatures of the six previous upline sponsors. However, an individual can re-register, with no wait period, under the same sponsor as that of their resigned position. If a resigned member had achieved the rank of Platinum or higher, readmission as a customer or member requires the approval of a senior LFA Executive.

14. Sale of an Independent Membership

An Independent Member may not sell, assign or otherwise transfer their Independent Membership, marketing position, or any other Independent Member rights without the prior written approval of LFA. Prior to the sale, LFA requires that a request for sale of membership is forwarded to the LFA Home Office. LFA will then provide a packet to the Independent Member, which includes a form and instructions on how to proceed with the sale. Prior to approval, LFA requires that all documents of sale be signed and notarized by all parties, and they must be witnessed and signed by a JP and then submitted to LFA.

The Offer of Sale of the Independent Membership must first be offered in writing* to the Independent Member's direct placement sponsor as a first right of refusal. A copy of this offer must be forwarded to the LFA Home Office. The direct placement sponsor must be Gold or above who does not already hold a second position (see policy 6). In the event that the direct sponsor doesn't respond within 72 hours from the time of first request by seller, LFA will attempt to contact the direct upline. The direct upline will then have 72 hours to contact LFA with refusal. If the direct placement sponsor declines the offer, or is not eligible to accept it, and sends their refusal to LFA in writing, or is non-responsive*, the Independent Member may offer this position to anyone, on the same terms and conditions as were offered to the direct placement sponsor. If the transaction is completed and approved by LFA, the organization that is sold/purchased will remain in its original position in the LFA genealogy. All members agree that the decision to allow a sale of membership, and whether the required approvals have been obtained, will be at LFA's sole discretion.

The sale, transfer or assignment of the majority of voting shares in a Corporate Independent Membership is deemed a sale of an Independent Membership and is subject to the same requirements. In all cases, LFA reserves the right to review and approve the entire transaction including, but not limited to, the "offer to sell."

A member who has sold their membership may not reapply for membership or purchase another position for three calendar months following the month in which the original membership was sold, or unless they have received the signatures of the six previous upline sponsors.

It's a violation of LFA policy to solicit or compensate a downline Independent Member to voluntarily resign his/her Independent Membership solely for the purpose of advancement in the Compensation Plan.

*All correspondence must be signed and officially notarized.

15. Poaching

LFA prohibits current and former members, either directly or through a third party, from promoting another company's business to any currently registered customers or member of LFA. Members shall not solicit members or customers to any other REFERRAL MARKETING, network marketing or direct sales business except those members they personally sponsored.

"Personally sponsored" is a term given to a member who is both the registered enrollment and placement sponsor to a Life Force customer or member.

Violation of this policy by a member constitutes voluntary resignation and cancellation of their Independent Member status, effective the date of the violation, and the forfeiture of all bonuses payable for and after the calendar month in which the violation occurred. If LFA pays any bonuses for and after the calendar month in which the violation occurred, these shall be refunded to LFA. Any cross sponsorship or cross recruiting is strictly prohibited, and may result in disciplinary measures listed in policy 56.

Violations of this policy are especially detrimental to the growth and sales of other independent members' businesses and to LFA's business. Therefore, LFA may seek and obtain from the violating member damages for violations of this policy. If litigation or arbitration is undertaken to recover bonuses or damages as specified herein, the prevailing party shall be entitled to an award of legal fees and expenses.

16. Proprietary Information and Trade Secrets

By joining LFA, an Independent Member acknowledges that all membership information contained in any report provided by LFA that includes, but is not limited to names, email addresses, mailing addresses and telephone numbers of other LFA members and customers is considered LFA's proprietary trade secret information. The member agrees not to disclose such information to any third party or use such information for non-LFA purposes. The member acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to LFA and to independent LFA businesses. LFA and its independent members will be entitled to injunctive relief to prevent violation of this policy. If litigation or arbitration is required to obtain injunctive relief or to recover damages, the prevailing party shall be entitled to an award of legal fees and expenses.

Independent Member & Sponsoring Policies

17. Direct Solicitation to LFA

From time to time, LFA may receive enquires from the public about its products and opportunity. When this occurs, the company endeavors to ascertain whether the contact with the company resulted from a member's sponsoring/prospecting efforts. If so, the inquiring party will be referred to that member. Prospective members and customers, who have simply heard of LFA without any discoverable contact with a member, will be informed of their need to have a sponsor. LFA will not distribute leads.

18. Sponsoring

Members have the right to recruit or sponsor others into an LFA business. If a member chooses to place a new enrollee somewhere other than on their first level, they are only permitted to do so within the same downline leg of the enrollment sponsor.

Any member who sponsors other members must fulfill the obligation of performing bona fide supervisory, training and selling functions in the marketing of LFA products and program benefits. Firstly, sponsors should teach their organization that nutritional and dietary supplements are food products—not medicines. Secondly, during their marketing presentations, sponsors must not make exaggerated claims of financial rewards. Ultimately, sponsors are compensated for the products distributed through their sales and marketing organizations.

19. International Sponsoring

Members may only sponsor people in countries where LFA is authorized to conduct business. Legal requirements differ for each country, so sponsors should not assume that membership requirements are the same worldwide. Some countries, for example, legally require both application forms and fees. International sponsors are subject to the policies and procedures set forth by LFA in each country where they build a marketing organization. Also, members should be aware that prices vary from country to country due to governing economic influences such as taxation, freight and importation duties. LFA members must utilize only authorized distribution channels to build their marketing organizations. Members may not individually import, export or distribute LFA products or business building tools in any country where LFA does not operate. Violators of this policy shall be subject to the laws governing that country. Violators of this policy are likewise subject to the disciplinary measures listed in policy 56.

20. Unauthorized Countries

Members are not allowed to sell, advertise, market, or ship LFA products, the business opportunity or other LFA related services to countries that the company does not have legal clearance to conduct business in. The only exception is when the product is dispatched and intended for personal use only. Violation of this rule may lead to legal problems, which is very damaging to LFA's reputation and standing with regulatory agencies. Members who participate in this activity will be held directly liable and will be subject to the disciplinary actions detailed in policy 56.

21. Enrollment and Placement Sponsor Changes

It is highly recommended that all new members be placed on the first level of their Enrollment Sponsor upon registration, meaning that the Enrollment Sponsor and Placement Sponsor is the same person. Any placement of a new member or customer other than on the first level will be considered the Enrollment Sponsor's one placement for that member or

customer. Upon registration, a member or customer understands that his or her Enrollment Sponsor may change his or her Placement Sponsor following the guidelines below.

All Enrollment and Placement Sponsor changes or transfers must be sent to LFA in writing on the specified form.

21A. New Enrollee Placement Change

An Enrollment Sponsor will have three full calendar months from the new member's registration date to place this first level member on a lower level in the Enrollment Sponsor's downline organization. The same three calendar month time period applies for customer placement changes. For example: If a new member or customer joined on January 15th, the Enroller would have until the last day of April to place that new member or customer anywhere in their downline.

Any downline that the new member has generated during the initial three calendar month period, and up until the change is made in the genealogy, will be moved with them in the event of a placement change.

Enrollment sponsorship may also be permanently transferred to the new Placement Sponsor during the initial three-month period. This is optional and must occur at the time of Placement Sponsor change. After the initial three full calendar month period, enrollment sponsorship cannot be transferred. However, in the event that a member or customer's Enrollment Sponsor resigns or terminates, Enrollment Sponsorship will be transferred to the resigning member's Enroller.

The placement change request must be submitted on the New Enrollee Placement Change Form, and must include the Enrollment Sponsor's signature. The placement change form must be received by LFA no later than midnight on the last day of the third full calendar month from the new enrollee's date of registration.

All Placement or Enroller changes will occur between the 10th and the 22nd of the month. Placement change forms received before the 22nd of the month will have the placement change occur in that same month. Placement changes received after the 22nd will be processed the following month.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

21B. Platinum and Above Bi-Annual Placement Change

The Enrollment Sponsor of the member to be transferred must be a Platinum or above in the month prior to requesting the change. Both the new Placement Sponsor of the transferred member and the Enrollment Sponsor must be on a minimum of 100 BV Autoship.

The Enrollment Sponsor may place a member along with his/her downline on a lower level in the Enrollment Sponsor's downline organization. This move can only be made if the organization to be moved has no more than 9,999 BV within six levels of uncompressed volume for the month previous to when the change will be processed. In addition, the new Placement Sponsor's organization must have a greater total group volume than the organization being moved under him/her. Organizations with greater than 9,999 total group volume for the month prior will not be permitted to move. Only one of these moves will be allowed in any 6-month period.

All members agree that the decision to allow or disallow a transfer of Enrollment or Placement Sponsorship, whether the required approvals have been obtained, will be at LFA's sole discretion.

The placement change must be submitted on the Bi-Annual Placement Change Form and must include the notarized signatures of the current six direct upline members, the Enrollment Sponsor submitting the request, and the transferring member.

Any annual placement changes will be made between the 10th and 22nd of the month.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

21C. Changes in Upline Placement Sponsor

An individual member may request to change their Placement Sponsor at any time. Upon approval by LFA, the member requesting an upline placement sponsor change will receive a new LFA Identification Number. Only the member requesting an upline placement sponsor change will be moved; the member's existing downline organization will roll up to the immediate previous sponsor. The enrollment sponsorship of any member who had been previously enrolled by the transferring member will be transferred to the resigning member's Enroller.

The upline placement change must be submitted on the Upline Placement Change Form and must include the notarized signatures of the Enrollment Sponsor and the current six direct upline members.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

21D. Upgraded Member Placement Change

Customers may elect to change their status and become a member at any time during the calendar month. Should a customer choose to upgrade to be a member, the Enrollment Sponsor will have three full calendar months to place this member on a lower level in the current Placement Sponsor's downline organization.

Any downline that the newly upgraded member has generated during the initial three calendar month period from the time they upgraded, and up until the change is made in the genealogy, will be moved with them in the event of a placement change. If this newly upgraded member has not yet established a downline, the Enrollment Sponsor may elect to move this member anywhere in their downline organization.

The placement change request must be submitted on the Upgraded Member Placement Change Form, and must include the Enrollment Sponsor's signature. In addition, if the enrollment sponsor requesting the placement change is not the current Placement Sponsor, then the notarized signature of the current Placement Sponsor is also required to complete the request.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

22. Sponsor Change Processing Deadline

Transfer requests will be accepted at all times, however changes will only occur between the 10th and 22nd of any calendar month. Any changes received after the 22nd of any calendar month will be effective for the following month. All members agree that the decision to allow or disallow a transfer of sponsorship, and whether the required approvals have been obtained, will be at LFA's sole discretion.

If a signature or required notary stamp is missing when LFA receives the documents, the deadline of the 22nd will not be extended. The corrected form will be reviewed for the following month. Any changes that have not been received in complete form will be sent back to the Enrollment Sponsor listed on the form.

23. Upline Sponsor Signature Policy

If an Enrollment Sponsor, after a reasonable amount of time (or "a reasonable attempt"), cannot obtain one of the six direct upline notarized signatures required for Platinum and Above Bi-Annual Placement Change (Policy 20B) or a Change in Upline Placement Sponsor (Policy 20C), the following steps shall be taken:

- a. LFA will send a certified letter to the unresponsive upline sponsor requesting his/her response to the Placement Change request within ten business days from the day of receipt.
- b. If no response is received by LFA within ten business days, LFA will allow the notarized signature of the next upline sponsor in the upline signature tree (above six levels) to replace the unresponsive upline sponsor's signature for that move.
- c. LFA will send a second certified letter to the unresponsive upline sponsor regarding future notarized requests for Placement Changes. If no response is received by LFA within 30 days, the upline sponsor will be permanently removed from the upline signature tree and their signature would not be required for any future placement change requests that require the six direct upline signatures.

Any member found promoting any other referral marketing, network marketing, or direct sales business constitutes voluntary resignation and cancellation of their right to withhold their notarized signature on a Platinum and Above Bi-Annual Placement Change or a Change in Upline Placement Sponsor request.

24. Notary and JP Policy

If a notary or JP (Justice of the Peace) has any connection or interest in a change being processed that requires notarized signatures, he or she may not be the notary/ JP used for the required signatures. The signing member must commission a notary/JP in the same state/province that the documents are signed and notarized. In addition, each notarized signature must be stamped and dated the day it is witnessed.

Purchasing & Ordering Policies

25. Ordering Product

Using their Identification Number, members or customers may purchase products directly from LFA. LFA encourages members to order early in the month and manage their own orders to avoid confusion. All orders are credited to the calendar month in which they are received by LFA. Orders may be placed by telephone, mail, email, website, or fax. Orders may be paid in cash, Visa, MasterCard or American Express. When paying by credit card, please include the card number and expiration date.

Bonus & Compensation Policies

26. Bonus Qualifications

Members must meet published personal retail sales requirements as well as supervisory responsibilities, to qualify for bonuses, advancements or incentives. These requirements are detailed in approved LFA literature and apply to each bonus period.

All bonus errors must be reported within 60 days for review. LFA will not be responsible for any errors or omissions reported after 60 days.

27. Cheques, Business Management System and Recipient Created Tax Invoices

Commission cheques are processed by LFA to members on the 10th day of each month for bonuses earned during the previous month. When the 10th day of the month falls on a weekend or public holiday, cheques will be processed on the next business day. Any cheques for USD \$5.00 or less will be held and added to a members account. Once it has reached the threshold of USD\$15 this amount will be paid out. The bank will not honor bonus cheques that have not been cashed for more than 90 days. Members who are in possession of expired commission cheques will be issued a replacement cheques upon receipt by LFA of a written request from the member to whom the original cheque was issued. The original cheque must accompany the replacement request and will incur a \$15 administration fee. Lost cheques require a \$25 stop payment and reissue fee.

A Business Management System (BMS) will be printed for members receiving a bonus cheque. The BMS will show the calculation of a member's bonus in detail. Members should use their BMS as a tool to manage, supervise and train the members of their MARKETING ORGANIZATION. For members paid as an associate three through silver, a printed version accompanies the bonus cheque, and a small monthly fee is deducted from the cheque. This fee is calculated at \$4 USD for the first five pages, plus \$0.07 USD for each additional page of the cheque recap statement. For members paid as Gold and above, an online version is provided for viewing anytime during the month, and a small monthly fee is debited from the account. If a member wishes to discontinue the online BMS and revert to the paper BMS accompanying their commission cheque, the member may contact the customer service department to do so.

LFA is registered for GST. Members must notify LFA as soon as they are registered for GST. When commissions are paid to members registered for GST, LFA will issue Recipient Created Tax Invoices to members and members will not need to issue a tax invoice to LFA.

Email an order to: lfanz@lifeforce.net

Fax an order to: 61-2 9854 9101

Telephone an order to:

1800-888-306 - Australian orders

0800-445-967 - New Zealand orders

Mail orders to:

1/16 Lexington Drive, Bella Vista, NSW 2153 - Australian orders/cheques

PO Box 160, Albany Village, Albany, Auckland New Zealand - New Zealand cheques only

28. Automatic Orders

When members and customers choose to have their products automatically shipped to them on a specified day between the

1st and the 25th of each month, the members, the customers and LFA all save money. Both members and customers purchase products at low factory-direct prices from the company. Automatic order members and customers, however, enjoy an additional discount. We are able to offer this discount due to the improved efficiency automatic shipments promote. Furthermore, autoship members and customers are free to place additional orders and enjoy the same low autoship prices.

The automatic order program provides a member to designate the products that will be automatically processed each month on the day they specify between the 1st and the 25th regardless of any other orders they have placed during the month.

The member can change the date of an automatic order up to five business days prior to the processing date. When the processing date of an automatic order falls on a weekend or holiday, the order will be processed on either the previous or following business day.

To sign up for Autoship, simply call Customer Service at 61-2 9854 9100. Payments by direct debit, Visa, MasterCard, or American Express are acceptable.

29. Autoship Cancellations

Automatic order cancellations must be received by LFA in writing via mail, email or fax at least five business days prior to the processing date. For prompt processing, request must include the Member/Customer Name and Identification Number. If an autoship package is returned or refused, the automatic order may be cancelled and the membership may be subject to the disciplinary measures listed in policy 56. The terminated member may not reapply for membership for three calendar months following the month in which the termination occurred.

30. Inventory Loading and the 70% Rule

As an LFA member, primary emphasis should be placed on product sales and distribution to end-users. Members may purchase products for personal consumption and such sales are recognized as retail sales for end-user consumption. However, the company does not require its members to maintain an inventory with a view of servicing customers direct. The company expressly prohibits purchases of products solely for bonus qualification.

Any member found to be promoting inventory loading may be subject to the disciplinary actions listed in policy 56.

LFA reserves the right to verify that inventory loading is not being practiced by randomly sampling those members receiving bonus *cheques*. Members must certify that over 70% of previously purchased company products have been sold or consumed before further products can be ordered.

31. Returned Remittances and Delinquent Payments

Returned *cheques* and rejected payments constitute a breach of the agreement, and a service fee will be charged. It is strictly a customer or member's responsibility to keep their method of payment current. Expired credit cards, returned cheques or insufficiently funded debit accounts may result in a loss of earnings. Orders will not be shipped and sales volume will not count if payment has not been collected.

Returned cheques will result in a \$25.00 charge. A second returned cheque results in a further \$25.00 charge and loss of privilege to purchase by cheque.

In the case of automatic orders, if payments are declined three consecutive months, the automatic order will be permanently cancelled.

32. Unauthorized Purchases

Any sponsor who registers a new customer or member without their authorization and then places an initial or automatic order for the new person without their permission, will be responsible for the purchase, all shipping and handling fees, and a 10% administration fee. Offenders are also subject to the disciplinary measures listed in policy 56.

33. Back Orders

If an item ordered is temporarily out of stock, the packing order will have the notation "Back Ordered" under the product description. Once the product is available, it will be shipped at no additional charge. Back ordered products are paid for when ordered. BUSINESS VOLUME is accrued for the bonus period in which the order was placed.

34. Order Errors

Members should notify LFA immediately of any errors or questions about orders or charges. All packages are accurately weighed and contents are recorded. However, in the unlikely event an item is missing from a package, contact the company within five business days of receipt; otherwise, it will be assumed that the complete order was received.

LFA will correct any charge errors that are reported within 30 days, but LFI will not be responsible for any errors, omissions or problems not reported within 30 days.

35. Shipping

Orders received and processed prior to 3:00 p.m. (AEST) Monday to Friday should normally be shipped the following day. Orders received and processed after 3:00 p.m. (AEST), on weekends, or on holidays will be shipped the day after.

36. Postage Charges

LFA has no minimum order restrictions. All orders are shipped via the carrier under contract with LFA and these charges are passed on to the end consumer.

37. Will Call Orders

Will Call orders are available at the Life Force head office. For optimal service, it is highly recommended will call orders be placed over the phone at least 24 hours prior to being picked up.

38. Customer Product Guarantee

If a customer returns an order placed with LFA within ten days of the order transaction date, LFA will refund 100% of the purchase prices including shipping and handling costs.

If after purchasing a LFA product and using it for a reasonable amount of time, the customer is not completely satisfied, contact the customer service department who will assist you with a 100% refund or replacement, less shipping and handling, when goods are returned either used or unused and received within 45 days of purchase.

Customers must prove that over 70% of the previously purchased company products have been sold or consumed before further products can be ordered and prior to credits being processed. Once received by LFA, refunds will be issued within 30 days of receipt by the shipping department. Returns exceeding 45 days of purchase will not be honored whether the product is sealed or opened. Return shipping fees are the responsibility of the customer. Proof of purchase

(invoice, copy of invoice, or invoice number) is required for all refunds or replacements.

To maintain BV statistics, LFA will not process returns on the last working day of the month, but will instead process these returns on the first working day of the next month.

39. Member Product Guarantee

When a member purchases product(s) from LFA, the member shall receive a 100% refund or replacement, less shipping and handling, when product(s) are returned either used or unused and received by LFI within 45 days of the purchase date. After 45 days and before 90 days, the member shall receive a 90% refund or replacement less shipping and handling, only when the product(s) returned are reusable and resalable with a realistic expiration date (no less than nine months).

Once LFA's shipping department receives the product(s), refunds will be issued within 30 days. Returns exceeding 90 days of the purchase date will not be honored, whether the product(s) is sealed or opened. Return shipping fees are the responsibility of the member.

Members must prove that over 70% of previously purchased company products have been sold or consumed before further products can be ordered and prior to credits being posted.

Proof of purchase (invoice, copy of invoice, or invoice number) is required for all refunds or replacements. LFA will clawback all commissions and incentives paid to members relating to the purchase of the products being returned.

Any refund requests may cancel the Independent Member Agreement at the option of LFA. However, in the following instances LFA will interpret the following actions as the member voluntarily resigning their membership; 1) A member makes three returns for refunds in a rolling 12-month period; or 2) A member or customer returns over AUD\$500 worth of merchandise at any given time. To maintain BV statistics, LFA will not process returns on the last working day of the month, but will instead process these returns on the first working day of the next month.

Any abuse of the refund product guarantee may result in the termination of membership.

40. Customer Purchase from Member

When a customer makes a purchase from a member, the customer shall return the product to the member within 30 days for a 100% refund, exchange, or replacement. Members are required to honor the retail customer refund policy in a prompt and courteous manner.

Failure to do so is a serious violation of company policy, and may result in disciplinary measures listed in policy 56.

Please note when a customer purchases from a member, this is an agreement between the customer and member and not LFA.

Advertising & Marketing Policies

41. Product Display & Retail

LFA strongly supports home-based businesses and personal product presentations. To maintain a standard of fairness, members may not stock or sell LFA products at retail establishments.

Retail establishments are defined as businesses that are available for open entry by the general public and the primary function is the retail sale of products.

Examples of these would include health food stores, pharmacies, grocery stores and supermarkets, kiosks, chain/franchise stores, flea markets, swap meets and malls. Owners of retail establishments may be sponsored in to LFA, but are required to conduct their business outside of the establishment. A small promotional display of literature with the sponsor's contact information is allowed with an empty container of product at the sales counter.

LFA further prohibits the retail sale of products through any online retailer or auction sites, including, but not limited to currently operating commercial auction sites. This policy is necessary to protect the integrity of the company and its products and is not intended to harm the member in any manner.

Members who have service-oriented offices will be allowed to display and sell products within their place of business. A service-oriented establishment is defined as a business where entry by the general public would require a membership or appointment and its primary function is the sale of professional services.

Examples of these would include doctor's offices, chiropractors and other health professionals, health clubs/gyms, barbers, salons/spas, nail shops, or counseling centers.

Exterior signs or window displays will not be allowed at any location.

42. Restaurants/Coffee Houses/ Juice Bars

LFA will permit establishments such as restaurants, coffee houses and juice bars to add LFA products to the foods and beverages produced by the establishment. However, retail sales of LFA products individually would still not be permitted per policy 40.

A small promotional display of literature with the sponsor's contact name and information along with an empty container of product at the sales counter will be permitted.

43. Resale Product Pricing

Members are free to resell LFA products to customers at current market prices at their own discretion. However, at no time shall a member be permitted to sell or market the sale of LFA products at any price below the Company "factory-direct prices." Factory-direct prices shall be defined as those prices regularly available from the Company, excluding Auto-ship pricing.

Violation of these policies may result in disciplinary measures listed in policy 56.

44. Reproduction of LFA Materials

The reproduction of any current or previously LFA or LFI published material is not permitted without the written consent of LFA and LFI.

45. Trademark, Service Mark and Trade Name Restrictions

Members may not in their independent marketing material use, reproduce or disseminate LFA's corporate logos, registered trademarks or service marks except in the use and dissemination of literature or other published items, made available by LFA. This applies to all trademarks or service marks designating products or services offered by LFA and

LFI. Members are allowed to use LFA's trade names and product names when describing or discussing LFA, the business opportunity and LFA's products in their sales aids. This includes, but is not limited to, the acronyms "LFA" or "LFI"; the terms "Life Force", "Life Force Australasia" or "Life Force® International" and any LFA or LFI product names. However, a website domain name, redirect website link, or email address created by an independent member may not contain any of LFA's or LFI's trade names and/or product names.

Examples of these would include:

support@lifeforcesupport.net www.osteoprocurehealth.com
info@LFIteam.net

Members may use the "Independent Member" logo developed by LFA on business cards, letterheads, envelopes or any other advertising (see policy 46) and may not be combined with any non-LFI products or services.

46. Unsolicited Fax and Phone Blasts

Soliciting anyone for products sales, business opportunities, or other marketing ventures by fax or phone blasts without their prior consent or request is prohibited. Violation of this policy may result in disciplinary measures detailed in policy 56.

47. Restrictions on Advertising

Members who create, publish or distribute any literature, audio or video tapes, telephone ads/messages, radio or television ads, materials or merchandise representing LFA, its products, services, compensation plan or business opportunity, other than that which is provided by LFA, or that which contains only information that is set forth in the current marketing materials of LFA, take full responsibility for the content of such advertising and are expected to stay abreast to current guidelines to help ensure their material is within compliance. Life Force International and LFA are not responsible or liable for marketing materials members create outside of corporate sanctions.

Each promotional item independently created by an LFA member that promotes LFA, its products, services or compensations plan must be truthful, substantiated and not misleading. In addition, the following disclaimers must be present at the end of a member's marketing piece: "Distribution within the (Australian or New Zealand). market only," and the statement, "This [Insert type of advertising] was prepared by an Independent Life Force Australian member." For those members who create an independent website, these statements must be present on every page of the site. The abovementioned statements must appear on each promotional item in a manner that is both clear and conspicuous to the reader.

If a member chooses to make a product structure/function claim in their advertising, the only structure/function claims authorized for use are the ones pre-approved by Life Force Australia as detailed in the Member Marketing Guidelines. A structure/function claim is defined as a claim that describes the role of a nutrient or dietary supplement that affects the normal structure, function or general well being of a person. At the end of a structure/function claim, an asterisk (*) must immediately follow. Furthermore, in close proximity, the following FDA statement in a hairline box must appear:

*These statements have not been evaluated by the TGA. These products are not intended to diagnose-treat-cure- or prevent any disease.

LFA strongly encourages members to use corporate sanctions materials. LFA is available to provide assistance to members who have questions about marketing policies in relation to creating their material. However, LFA cannot provide an official review or approval code for any independently created marketing material, including websites. Marketing Guidelines are provided on the corporate website to assist members in ensuring independent materials are within compliance.

Violation of this policy could cause misrepresentations or other legal improprieties in the display, advertisement or promotion of LFA products, services or marketing plan, which could be injurious to LFA's image, reputation, and standing with various regulatory agencies. A member who creates and uses promotional materials outside compliance and company guidelines will be held personally liable and will be subject to the disciplinary measures listed in policy 56.

48. Independent Member Website Policy

LFA members may create websites that promote LFA, its products, services or compensation plan, however must meet the requirements set forth in policy 46.

In addition to the requirements detailed in policy 46, member websites that have any testimonials, product structure/function claims or general statements pertaining to LFA products/product ingredients must be a minimum of two web page clicks away from where the products can be purchased. The clicks cannot contain additional testimonials, claims or comments about LFA products and/or product ingredients. Refer to the Member Marketing Guidelines for further details. For optimum security, Life Force Australia encourages members who take product orders to provide a redirect link to either the LFA corporate website or a member's self-replicating site provided by LFA as an alternative to keeping payment records in unspecified locations.

Life Force International is aware that many LFI members sell and promote products and business opportunities aside from LFI. In order to maintain the LFI level of excellence and product integrity, all Life Force members web sites shall be solely limited to promoting and selling Life Force products. No competitive products and services may be included or linked to the member's web site.

Violation of these policies may result in disciplinary measures listed in policy 56.

48A. Spamming

Spam is defined as an unsolicited email or electronic message, often of a commercial nature that is sent indiscriminately to multiple mailing lists, individuals, or newsgroups. Spamming to Internet users is prohibited. Violation of these policies may result in disciplinary measures listed in policy 56.

48B. Free Product Giveaways

In order to maintain a standard of fairness to all our Members, we must limit the number of bottles of product that can be given free with a purchase. For all print media and websites, one (1) bottle of the product of your choice may be given away free for every eight (8) bottles of products purchased. This is capped at a maximum of one (1) free bottle of product given away free per eight (8) bottle order. No more than one (1) bottle of free product can be given away per order, regardless if more than the minimum of eight

(8) bottles is being purchased. Any order less than eight (8) bottles purchased, is not eligible for a free product giveaway.

48C. Free Shipping Offers

Free shipping can only be offered on first time orders, with the commitment of autoshipment. Offers cannot be combined. Either a free product may be given away (see policy 47b above) or free shipping may be offered. This can only be offered on the first order and cannot be ongoing.

49. Lead Generation and Downline Building Services

Members should carefully consider whether to organize or participate in lead generation campaigns or downline building organizations. LFA does not endorse or guarantee success in such programs. In addition, all lead generation and other related downline building services are prohibited from being displayed, linked or used in a member's independent website.

50. Trade Shows and Fairs

LFA members are allowed to display and sale LFA product at venues such as trade shows and fairs. It is expected of the member to conduct him/herself in a fair, honest, reputable manner and follow all of the company's advertising and marketing guidelines. The advertising, distribution or marketing of products or services not related to LFA will not be permitted at the same table or booth with LFA's materials. In addition, the display table or booth LFA members are allowed to display and sale LFA product at venues such as trade shows and fairs. It is expected of the member to conduct him/herself in a fair, honest, reputable manner and follow all of the company's advertising and marketing guidelines. The advertising, distribution or marketing of products or services not related to LFA will not be permitted at the same table or booth with LFA's materials. used must be clearly represented as an independent member's presentation, not as an LFA corporate-sponsored one.

51. Audio & Video Advertising

For all audio and video advertising created by members, including but not limited to radio and television ads, slide shows, tapes, compact discs, computer-generated audio files, they must adhere to the detailed transcript verbatim to forgo any unapproved information from being relayed. As reviewed in policy 53, in the event that a member is contacted by the media inquiring about LFA's products, compensation plan or services, the member must refer the media representative to the LFI corporate office.

In addition, for audio and video ads, the following disclaimer statement must be stated: "This advertisement has been paid for and produced by (Member's Name); a Life Force Australian Independent Member". Members are expected to follow the marketing guidelines set forth as to what can and cannot be said about LFA products, services and/or business opportunities.

52. Member Telephone Message

When members create a phone message for their LFA business prospects, they are required to clearly state that they are an independent member of LFA. This is necessary to ensure that the caller is aware that they are speaking to an individual member and not the corporate office.

Examples of this would include: "You have reached the voicemail of (your name), Independent Life Force Member." or "Thank you for calling Life Force Independent Member (your name)."

53. Telephone Yellow/White Page Listing

If a member chooses to post a listing for the yellow or white pages, the listing needs to be listed under one of the following sections: health supplements/foods, food supplies, holistic/alternative health, nutrition, herbs, fitness or beauty. The only information that is allowed to appear is the member's name, LFA identification (ID) Number, "Life Force Independent Member", and a contact phone number. The use of any images, including the independent member logo would not be permitted for use in this sort of advertising.

Example: Mary Smith
Life Force Independent Member
ID#123456
(xxx) xxx-xxxx

Miscellaneous Policies

54. Media Inquiries

It is LFA's policy to have a single spokesperson handle all corporate inquiries from the media and all media relations. Therefore, members may not for any reason, act as the legal representative or LFA spokesperson if approached by the media regarding LFA, its compensation plan, its product or services (see policy 4). It is in violation of this policy for a member to represent him/herself as such, regardless of whether the information is positive or negative, accurate or inaccurate. All inquiries members receive from the media (whether radio, television or print) must be referred to:
The Managing Director
Life Force Australasia
1/16 Lexington Drive, Bella Vista
NSW 2153 Australia
Ph: 61-2 9854 9100

55. Member/Employee Relations

Company employees are trained to be courteous and professional in all contact with the public. Should a member ever receive less than this from company personnel, they should document the situation and forward it to an executive staff member for immediate review.

Members are expected to extend these same courtesies when dealing with corporate office staff, via telephone, internet or in person. Company employees are not required to endure any abuse. Whenever they feel this is occurring, they are to turn the call over to a supervisor. If this is not possible they are to politely end the conversation and document the incident. This documentation will also be forwarded to company executives for review. In severe circumstances offending members may be subject to the disciplinary measures listed in policy 56.

56. Compliance Claim and Investigation Procedure

The responsibility and duty of the LFA compliance department is to make sure all enquiries, investigations, and grievances related to the policies and procedures are handled in a fair and objective matter without prejudice to any party. Because of this, the compliance department must act on claims that can be substantiated with proof of the alleged violation in question. LFA will not tolerate or condone members participating in filing untrue claims for any reason. Reports of alleged policy violations or questions must be submitted in writing to the attention of the compliance department. Upon receipt of such items, the compliance department will conduct all necessary research and follow through with all parties accordingly.

57. Disciplinary Measures

All of the policies in this Statement of Policies, which constitutes the Independent Member Agreement, and any other agreements entered into by and between LFA and the members are material terms to the agreement between LFA and the members. Any violation of the terms and conditions entered into by and between LFA and the members or the Statement of Policies or any illegal, fraudulent, deceptive or unethical business conduct by a member may result, at LFA's discretion, in one or more of the following corrective measures:

- a. Issuance of a written warning;
- b. Imposition of a fine to be withheld from future commission cheques;
- c. Suspension or termination of current and future commission cheques;
- d. Reassignment of all or part of their marketing organization;
- e. Suspension of their independent member agreement;
- f. Termination of their independent member agreement;
- g. Any other measure expressly stated within the policies set forth in the Statement of Policies.

Should a member be terminated for cause, any rollups will be at the sole discretion of LFA. Should a terminated member wish to re-apply for membership, approval from a senior Executive will be required.

58. Indemnity

Each member shall hold the company harmless for any claims, damages, or liabilities arising from the member's misrepresentation, negligence or failure to follow these policies and procedures.

59. Statutory Precedence

LFA's Statement of Policies is subject to the prevailing laws governing our industry. These laws take precedence over any item included herein.

60. Program Modifications

In order to maintain a viable business and to comply with governing laws and economic conditions, LFA has the sole right and discretion to modify its compensation plan, product line, pricing or policies without notice. Such modifications shall be immediate.

61. Social Networking Sites

If a Life Force Member or Customer belongs to a social networking site, i.e. Facebook, My Space, Twitter, etc. they must represent themselves as an Independent Member of Life Force International to avoid confusion with the corporate account. For example, the account name would need to read "Life Force International Independent Member, or "Independent Member, Life Force International.

GLOSSARY OF TERMS

ID NUMBER – The computer-generated number used by LFA to establish a genealogy, track sponsoring efforts, purchased products and generates bonus payments.

HOUSEHOLD – Lifetime partners, immediate family (parents, children, or spouse) or dependents residing at the same address.

REFERRAL MARKETING – A method of marketing whereby members refer customers and other members they enroll directly to LFA for product purchases. Both members and customers enjoy the same factory-direct

pricing, but only members are compensated for promoting LFA and for building a marketing organization.

BUSINESS VOLUME – The volume assigned to product purchases used to calculate bonuses and award incentives.

COMMISSION RECAP STATEMENT– The accounting record LFA prepares monthly that tracks purchase activities for a marketing organization.

MARKETING ORGANIZATION – All levels of individuals and business entities for which LFA provides compensation.

ENROLLMENT SPONSOR – A member of LFA who personally enrolls other individuals as a member or customer.

PLACEMENT SPONSOR – A member or customer's immediate upline.

J.P. (Justice of the Peace) – A local magistrate empowered to prove to be just, right or reasonable.

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1/16 Lexington Drive
Bella Vista, NSW 2153
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Life Force Australasia
STATEMENT OF POLICIES AND PROCEDURES
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CODE OF CONDUCT DECLARATION

Life Force International (subsequently referred to as “LFA” or the “company”) has established the following code of conduct to guide the appropriate, efficient and ethical operation of LFA. We require our members and customers to abide by the letter and spirit of this code that forms our contract with all registered parties of LFA.

1. Member Obligation

LFA members will:

- a. Conduct themselves in an ethical and professional manner;
- b. Sell the company’s products in accordance with the Company’s compensation plan;
- c. Make it clear that success in LFA’s compensation plan is based on retail sales rather than sponsoring;
- d. Represent the compensation plan only as prescribed by LFA;
- e. Comply with applicable consumer protection laws and regulations; and
- f. Provide training, motivation and support to members in their organization.
- g. Maintain current and accurate information concerning the address, phone number, email, ABN/GST numbers, method of payment and any other data on their file.

LFA members will not:

- a. Engage in deceptive, unlawful, or unethical business or recruiting practices;
- b. Engage in high pressure selling or recruiting practices;
- c. Make misleading sales claims or guarantees concerning the company’s products;
- d. Make misleading claims or guarantees concerning potential earnings;
- e. Sponsor or enroll minors or persons who are not capable of making an informed decision;
- f. Conduct business activities in countries other than those approved by LFA;
- g. Purchase Business Volume on another member or customer’s account to qualify for any LFA bonus or commission;
- h. Seek in any way to violate or circumvent LFA policies.

2. Obligations of LFA

The company will:

- a. Conduct itself in an ethical and professional manner;
- b. Administer the policies and procedures of the company fairly, without prejudice or favor;
- c. Provide worldwide liability insurance on its products when used in accordance with the instructions on the label;
- d. Compensate members in accordance with LFA’s approved compensation plan;
- e. Process orders and ship products in a timely fashion;
- f. Provide members with the organization and volume information required to manage business activities; and
- g. Comply with all laws governing the sale and distribution of products and the compensation of participants.

The company will not:

- a. Guarantee success in LFA;
- b. Provide any commissions for the recruitment of others;
- c. Tolerate members pressuring prospects into purchasing large quantities of inventory;
- d. Tolerate misleading product claims;

- e. Tolerate members “stocking up” on products merely to obtain commissions;
- f. Advise members on their personal account management;
- g. Represent that there is any substitute for hard work and preparation;
- h. Tolerate the publication of non-approved advertising or marketing material;
- i. Tolerate any unconscionable conduct unbecoming a member of LFA;
- j. Tolerate members purchasing Business Volume, or soliciting other members to do so, on another member or customer account other than their own to qualify for any LFA bonus or commission.

Violation of these policies may result in disciplinary measures listed in policy 56.

ADMINISTRATIVE POLICIES

Membership Policies

1. Becoming a Customer

LFA defines customers as persons who simply wish to purchase products and choose not to participate in the LFA income opportunity. Anyone may become a customer at absolutely no cost whatsoever and purchase LFA products at low factory-direct prices. Alternatively, customers may purchase directly from their sponsor at a fair and equitable retail price. To become a customer, you must have a sponsor. Bonuses on customer purchases will be paid to the sponsoring organization.

Unlike members, customers do not need to provide LFA with an ABN or GST number. For account management purposes, a customer will be assigned a computer-generated Identification Number (ID Number) which they should use when ordering products or making account inquiries. In addition, to remain active a customer must purchase products at least once every twelve months. However, LFA reserves the right to accept or reject any customer at any time.

In the event a customer is registered under a business name, it is required to have the contact name for the owner/manager of the business entity.

Customers may elect to change their status and become a member at any time during the calendar month. Should a customer become a member, the newly converted member will be eligible to change their placement sponsorship as detailed in policy 20D. Any new downline the upgraded member has built will be transferred upon completion of the placement change. The enrollment sponsorship of the upgraded member however cannot be transferred.

2. Becoming a Member

Membership in LFA does not constitute the sale of a franchise or distributorship and no product purchase is required as a means to obtain the right to become an LFA member. A person may be awarded a membership as an individual, or in the form of a bona fide business entity or partnership.

Should a business entity register as a member, the point of contact for the business entity will be subject to the policies and procedures as if they were the member. In addition, there must be a contact name for the owner/manager of the business entity as well.

To become a member and participate in the LFA compensation plan, an individual must:

- a. Agree to abide by the LFA policies and procedures;
- b. Be of legal contractual age in their state and country of residence;
- c. Have a sponsor;
- d. Provide LFA, by phone, email, internet, mail or fax, with their ABN or GST number (if applicable); and
- e. Remain active by purchasing products at least once every six months.

If a registered member of LFA goes six months without making a purchase, at midnight on the last day of the sixth month of inactivity, the member will revert to a customer status. The member's existing downline organization will roll up to the immediate upline sponsor, and the enrollment sponsorship of any members who had been previously enrolled by the inactive member will be transferred to the member's Enroller. As a converted customer, the individual will then have an additional six months to place an order before complete removal from LFA takes place.

If a member calls after being changed to a customer to place an order, they will remain a customer unless they provide their ABN or GST (if applicable) and request to become a member again. A member who upgrades back to a member status after being changed to a customer due to inactivity will not re-obtain their previous downline organization.

Compliance with these requirements entitles a participant to lifetime membership. Membership is not transferable, and cannot be sold or assigned without prior approval of LFA.

Although no product purchase is required to become a member, new member registrations over the telephone where the new member is not present, or registrations via the internet or utilizing any other electronic method where an individual cannot verify their intent to become a member, must include the following:

Full name, address (mailing and shipping), ABN or GST number, telephone number including area code, and both enrollment and placement sponsor's Identification Number. Incomplete electronic applications will be automatically rejected, whether sent via email, internet or fax.

Due to LFA's liberal application process, any registered member who has never placed an order may challenge the validity of their registration and request immediate termination without prejudice, and join under the member of their choice.

Registering members or customers without their permission is not allowed. Anyone caught registering an individual without the permission of the individual being registered shall be subject to the disciplinary measures listed in policy 56.

Although members are authorized to sponsor other members and enroll customers, LFA reserves the right to accept or reject any member.

3. Member Identification

Similar to customers, each member is assigned an Identification Number. This number is used to track sponsoring efforts, product purchases and commission payments.

4. Independent Status

Members associated with LFA are independent contractors. If members do any business, they are responsible for conducting their own business activities without company control or direction and are not an agent, employee or legal representative of the company.

Members are not authorized to incur any debt, expense or obligation on behalf of or for LFA nor bind LFA to any agreement or contract.

Independent contractors have the following responsibilities:

- a. Abide by all laws, rules and regulations pertaining to the acquisition, receipt, holding, selling, distribution and advertising of LFA products and business opportunity;
- b. Be solely responsible for declaration and payment of any associated taxes or fees;
- c. Be solely responsible for any required disability or compensation insurance;
- d. Supply any equipment and tools necessary for operating their business, such as telephone, transportation, professional services, office supplies; and
- e. Provide their own place of business and determine their own work hours.

5. Beneficiaries

Upon death or incapacity, the benefits of this agreement shall inure to the member's heirs or successors in interest and the obligations and benefits of this policy shall be binding upon the respective successors.

In the event of death, the designated beneficiary will need to provide LFA with a certified copy of the final will and testament (or probate decision in absence of a will) along with a certified copy of the Death Certificate.

6. Second Position

Without exception, only members who have achieved the rank of Gold in the LFA compensation plan may have a second position in LFA under the following conditions:

- a. The second position may only be enrolled and placed first level to the first position;
- b. Members and customers originally sponsored under the first position with an enrollment date preceding the second position, may not be transferred to the second position;
- c. The second position must have a separate ABN or GST number (if applicable) and it may be in the name of a spouse, defacto partner, significant other or bona fide business entity but no HOUSEHOLD may have more than two business positions.

A spouse, business/charity organization, or secondary personal account would fall under the category of a second position. In addition, customers would not be allowed to have a second account unless they have become a member and achieved the rank of Gold.

Failure to meet these may be subject to the disciplinary measures listed in policy 56.

7. Third Position

Without exception, only Members who have achieved the rank of 1 Star Diamond in the LFI compensation plan may have a third position in LFI under the following conditions:

- a. The third position must only be enrolled and placed first level to the first position;
- b. Members and Customers originally sponsored under the first position with an enrollment date preceding the third position may not be transferred to the third position;
- c. The third position must have a separate Social Security or Tax Identification number, and it may be in the name of a spouse or bona fide business entity, but no HOUSEHOLD may have more than three business positions.

A spouse, business/charity organization, or tertiary personal account would fall under the category of a third position. In addition, Customers cannot have a third position unless they become a Member and achieve the rank of 1 Star Diamond.

When signing up a third position, the member must identify the position as a third position in their account.

Failure to meet these conditions may be subject to the disciplinary measures listed in policy 56.

8. Multiple Households at a Single Address

LFA has an obligation to ensure that the integrity of its multilevel organizational structure is protected from *stacking*, a manipulation of the compensation plan that negatively affects upline sponsors.

For example, when family members are chain-sponsored one after the other; upline commissions are negatively affected, even cut off. To prevent this situation, multiple households residing at the same address must be enrolled and placed front line to the original member residing at that address. For example, if parents and adult children are living at the same address, all family members must be sponsored front line to the original member of LFA residing at that address.

A spouse, defacto, or significant other can only be enrolled once the level of Gold has been achieved and at no time can one HOUSEHOLD or MEMBER have more than two positions. (See policy number 6)

- a. Individual rent-paying tenants in the same building or residence are not considered a household.
- b. Roommates are not considered a household.

9. Marriage of LFA Members

In the event that two LFA members have separate accounts prior to their marriage, LFA will allow them to maintain their accounts after they are legally wed with the presentation of a marriage certificate, verifying the date of their marriage or legal union for domestic partners.

10. The Divorce/ Annulment of LFA Members

If there is an LFA member account shared by a married couple and those two parties become divorced or have an annulment, they may open separate individual accounts. Both parties would be required to send in a signed written request of their registration along with an official copy of their divorce/ annulment papers before the registrations can take place.

11. Fictitious/Falsified Information

The use of a fictitious name, address, phone number, ABN or GST number (if applicable), or other information for an LFA account is strictly prohibited. Members participating in such

activity may be subject to disciplinary measures listed in policy 56.

12. Change of Name, Business Name, and ABN/GST number

Members and customers are responsible for notifying LFA *in writing* by letter, email or fax of any change in their name, business name, ABN or GST number (if applicable), etc.

Send letters to:

Life Force Australasia
1/16 Lexington Drive
Bella Vista
NSW 2153, Australia
Email: lffanz@lifeforce.net
Fax: 61-2 9854 9101
Telephone: 61-2 9854 9100

13. Voluntary Resignation

Members and customers may resign their membership at any time with a signed and dated letter indicating their intent to discontinue their LFA account. For a member terminating their position, any downline organization affected by the resignation shall be transferred to the resigning member's sponsor. Enrollment Sponsorship shall be transferred to the resigning member's enroller.

Once resigned, a formerly active member or customer may not re-apply for a new account for three calendar months following the month in which the termination occurred or unless they have received the signatures of the six previous upline sponsors. However, an individual can re-register, with no wait period, under the same sponsor as that of their resigned position. If a resigned member had achieved the rank of Platinum or higher, readmission as a customer or member requires the approval of a senior LFA Executive.

14. Sale of an Independent Membership

An Independent Member may not sell, assign or otherwise transfer their Independent Membership, marketing position, or any other Independent Member rights without the prior written approval of LFA. Prior to the sale, LFA requires that a request for sale of membership is forwarded to the LFA Home Office. LFA will then provide a packet to the Independent Member, which includes a form and instructions on how to proceed with the sale. Prior to approval, LFA requires that all documents of sale be signed and notarized by all parties, and they must be witnessed and signed by a JP and then submitted to LFA.

The Offer of Sale of the Independent Membership must first be offered in writing* to the Independent Member's direct placement sponsor as a first right of refusal. A copy of this offer must be forwarded to the LFA Home Office. The direct placement sponsor must be Gold or above who does not already hold a second position (see policy 6). In the event that the direct sponsor doesn't respond within 72 hours from the time of first request by seller, LFA will attempt to contact the direct upline. The direct upline will then have 72 hours to contact LFA with refusal. If the direct placement sponsor declines the offer, or is not eligible to accept it, and sends their refusal to LFA in writing, or is non-responsive*, the Independent Member may offer this position to anyone, on the same terms and conditions as were offered to the direct placement sponsor. If the transaction is completed and approved by LFA, the organization that is sold/purchased will remain in its original position in the LFA genealogy. All members agree that the decision to allow a sale of membership, and whether the required approvals have been obtained, will be at LFA's sole discretion.

The sale, transfer or assignment of the majority of voting shares in a Corporate Independent Membership is deemed a sale of an Independent Membership and is subject to the same requirements. In all cases, LFA reserves the right to review and approve the entire transaction including, but not limited to, the "offer to sell."

A member who has sold their membership may not reapply for membership or purchase another position for three calendar months following the month in which the original membership was sold, or unless they have received the signatures of the six previous upline sponsors.

It's a violation of LFA policy to solicit or compensate a downline Independent Member to voluntarily resign his/her Independent Membership solely for the purpose of advancement in the Compensation Plan.

*All correspondence must be signed and officially notarized.

15. Poaching

LFA prohibits current and former members, either directly or through a third party, from promoting another company's business to any currently registered customers or member of LFA. Members shall not solicit members or customers to any other REFERRAL MARKETING, network marketing or direct sales business except those members they personally sponsored.

"Personally sponsored" is a term given to a member who is both the registered enrollment and placement sponsor to a Life Force customer or member.

Violation of this policy by a member constitutes voluntary resignation and cancellation of their Independent Member status, effective the date of the violation, and the forfeiture of all bonuses payable for and after the calendar month in which the violation occurred. If LFA pays any bonuses for and after the calendar month in which the violation occurred, these shall be refunded to LFA. Any cross sponsorship or cross recruiting is strictly prohibited, and may result in disciplinary measures listed in policy 56.

Violations of this policy are especially detrimental to the growth and sales of other independent members' businesses and to LFA's business. Therefore, LFA may seek and obtain from the violating member damages for violations of this policy. If litigation or arbitration is undertaken to recover bonuses or damages as specified herein, the prevailing party shall be entitled to an award of legal fees and expenses.

16. Proprietary Information and Trade Secrets

By joining LFA, an Independent Member acknowledges that all membership information contained in any report provided by LFA that includes, but is not limited to names, email addresses, mailing addresses and telephone numbers of other LFA members and customers is considered LFA's proprietary trade secret information. The member agrees not to disclose such information to any third party or use such information for non-LFA purposes. The member acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to LFA and to independent LFA businesses. LFA and its independent members will be entitled to injunctive relief to prevent violation of this policy. If litigation or arbitration is required to obtain injunctive relief or to recover damages, the prevailing party shall be entitled to an award of legal fees and expenses.

Independent Member & Sponsoring Policies

17. Direct Solicitation to LFA

From time to time, LFA may receive enquires from the public about its products and opportunity. When this occurs, the company endeavors to ascertain whether the contact with the company resulted from a member's sponsoring/prospecting efforts. If so, the inquiring party will be referred to that member. Prospective members and customers, who have simply heard of LFA without any discoverable contact with a member, will be informed of their need to have a sponsor. LFA will not distribute leads.

18. Sponsoring

Members have the right to recruit or sponsor others into an LFA business. If a member chooses to place a new enrollee somewhere other than on their first level, they are only permitted to do so within the same downline leg of the enrollment sponsor.

Any member who sponsors other members must fulfill the obligation of performing bona fide supervisory, training and selling functions in the marketing of LFA products and program benefits. Firstly, sponsors should teach their organization that nutritional and dietary supplements are food products—not medicines. Secondly, during their marketing presentations, sponsors must not make exaggerated claims of financial rewards. Ultimately, sponsors are compensated for the products distributed through their sales and marketing organizations.

19. International Sponsoring

Members may only sponsor people in countries where LFA is authorized to conduct business. Legal requirements differ for each country, so sponsors should not assume that membership requirements are the same worldwide. Some countries, for example, legally require both application forms and fees. International sponsors are subject to the policies and procedures set forth by LFA in each country where they build a marketing organization. Also, members should be aware that prices vary from country to country due to governing economic influences such as taxation, freight and importation duties. LFA members must utilize only authorized distribution channels to build their marketing organizations. Members may not individually import, export or distribute LFA products or business building tools in any country where LFA does not operate. Violators of this policy shall be subject to the laws governing that country. Violators of this policy are likewise subject to the disciplinary measures listed in policy 56.

20. Unauthorized Countries

Members are not allowed to sell, advertise, market, or ship LFA products, the business opportunity or other LFA related services to countries that the company does not have legal clearance to conduct business in. The only exception is when the product is dispatched and intended for personal use only. Violation of this rule may lead to legal problems, which is very damaging to LFA's reputation and standing with regulatory agencies. Members who participate in this activity will be held directly liable and will be subject to the disciplinary actions detailed in policy 56.

21. Enrollment and Placement Sponsor Changes

It is highly recommended that all new members be placed on the first level of their Enrollment Sponsor upon registration, meaning that the Enrollment Sponsor and Placement Sponsor is the same person. Any placement of a new member or customer other than on the first level will be considered the Enrollment Sponsor's one placement for that member or

customer. Upon registration, a member or customer understands that his or her Enrollment Sponsor may change his or her Placement Sponsor following the guidelines below.

All Enrollment and Placement Sponsor changes or transfers must be sent to LFA in writing on the specified form.

21A. New Enrollee Placement Change

An Enrollment Sponsor will have three full calendar months from the new member's registration date to place this first level member on a lower level in the Enrollment Sponsor's downline organization. The same three calendar month time period applies for customer placement changes. For example: If a new member or customer joined on January 15th, the Enroller would have until the last day of April to place that new member or customer anywhere in their downline.

Any downline that the new member has generated during the initial three calendar month period, and up until the change is made in the genealogy, will be moved with them in the event of a placement change.

Enrollment sponsorship may also be permanently transferred to the new Placement Sponsor during the initial three-month period. This is optional and must occur at the time of Placement Sponsor change. After the initial three full calendar month period, enrollment sponsorship cannot be transferred. However, in the event that a member or customer's Enrollment Sponsor resigns or terminates, Enrollment Sponsorship will be transferred to the resigning member's Enroller.

The placement change request must be submitted on the New Enrollee Placement Change Form, and must include the Enrollment Sponsor's signature. The placement change form must be received by LFA no later than midnight on the last day of the third full calendar month from the new enrollee's date of registration.

All Placement or Enroller changes will occur between the 10th and the 22nd of the month. Placement change forms received before the 22nd of the month will have the placement change occur in that same month. Placement changes received after the 22nd will be processed the following month.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

21B. Platinum and Above Bi-Annual Placement Change

The Enrollment Sponsor of the member to be transferred must be a Platinum or above in the month prior to requesting the change. Both the new Placement Sponsor of the transferred member and the Enrollment Sponsor must be on a minimum of 100 BV Autoship.

The Enrollment Sponsor may place a member along with his/her downline on a lower level in the Enrollment Sponsor's downline organization. This move can only be made if the organization to be moved has no more than 9,999 BV within six levels of uncompressed volume for the month previous to when the change will be processed. In addition, the new Placement Sponsor's organization must have a greater total group volume than the organization being moved under him/her. Organizations with greater than 9,999 total group volume for the month prior will not be permitted to move. Only one of these moves will be allowed in any 6-month period.

All members agree that the decision to allow or disallow a transfer of Enrollment or Placement Sponsorship, whether the required approvals have been obtained, will be at LFA's sole discretion.

The placement change must be submitted on the Bi-Annual Placement Change Form and must include the notarized signatures of the current six direct upline members, the Enrollment Sponsor submitting the request, and the transferring member.

Any annual placement changes will be made between the 10th and 22nd of the month.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

21C. Changes in Upline Placement Sponsor

An individual member may request to change their Placement Sponsor at any time. Upon approval by LFA, the member requesting an upline placement sponsor change will receive a new LFA Identification Number. Only the member requesting an upline placement sponsor change will be moved; the member's existing downline organization will roll up to the immediate previous sponsor. The enrollment sponsorship of any member who had been previously enrolled by the transferring member will be transferred to the resigning member's Enroller.

The upline placement change must be submitted on the Upline Placement Change Form and must include the notarized signatures of the Enrollment Sponsor and the current six direct upline members.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

21D. Upgraded Member Placement Change

Customers may elect to change their status and become a member at any time during the calendar month. Should a customer choose to upgrade to be a member, the Enrollment Sponsor will have three full calendar months to place this member on a lower level in the current Placement Sponsor's downline organization.

Any downline that the newly upgraded member has generated during the initial three calendar month period from the time they upgraded, and up until the change is made in the genealogy, will be moved with them in the event of a placement change. If this newly upgraded member has not yet established a downline, the Enrollment Sponsor may elect to move this member anywhere in their downline organization.

The placement change request must be submitted on the Upgraded Member Placement Change Form, and must include the Enrollment Sponsor's signature. In addition, if the enrollment sponsor requesting the placement change is not the current Placement Sponsor, then the notarized signature of the current Placement Sponsor is also required to complete the request.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

22. Sponsor Change Processing Deadline

Transfer requests will be accepted at all times, however changes will only occur between the 10th and 22nd of any calendar month. Any changes received after the 22nd of any calendar month will be effective for the following month. All members agree that the decision to allow or disallow a transfer of sponsorship, and whether the required approvals have been obtained, will be at LFA's sole discretion.

If a signature or required notary stamp is missing when LFA receives the documents, the deadline of the 22nd will not be extended. The corrected form will be reviewed for the following month. Any changes that have not been received in complete form will be sent back to the Enrollment Sponsor listed on the form.

23. Upline Sponsor Signature Policy

If an Enrollment Sponsor, after a reasonable amount of time (or "a reasonable attempt"), cannot obtain one of the six direct upline notarized signatures required for Platinum and Above Bi-Annual Placement Change (Policy 20B) or a Change in Upline Placement Sponsor (Policy 20C), the following steps shall be taken:

- a. LFA will send a certified letter to the unresponsive upline sponsor requesting his/her response to the Placement Change request within ten business days from the day of receipt.
- b. If no response is received by LFA within ten business days, LFA will allow the notarized signature of the next upline sponsor in the upline signature tree (above six levels) to replace the unresponsive upline sponsor's signature for that move.
- c. LFA will send a second certified letter to the unresponsive upline sponsor regarding future notarized requests for Placement Changes. If no response is received by LFA within 30 days, the upline sponsor will be permanently removed from the upline signature tree and their signature would not be required for any future placement change requests that require the six direct upline signatures.

Any member found promoting any other referral marketing, network marketing, or direct sales business constitutes voluntary resignation and cancellation of their right to withhold their notarized signature on a Platinum and Above Bi-Annual Placement Change or a Change in Upline Placement Sponsor request.

24. Notary and JP Policy

If a notary or JP (Justice of the Peace) has any connection or interest in a change being processed that requires notarized signatures, he or she may not be the notary/ JP used for the required signatures. The signing member must commission a notary/JP in the same state/province that the documents are signed and notarized. In addition, each notarized signature must be stamped and dated the day it is witnessed.

Purchasing & Ordering Policies

25. Ordering Product

Using their Identification Number, members or customers may purchase products directly from LFA. LFA encourages members to order early in the month and manage their own orders to avoid confusion. All orders are credited to the calendar month in which they are received by LFA. Orders may be placed by telephone, mail, email, website, or fax. Orders may be paid in cash, Visa, MasterCard or American Express. When paying by credit card, please include the card number and expiration date.

Bonus & Compensation Policies

26. Bonus Qualifications

Members must meet published personal retail sales requirements as well as supervisory responsibilities, to qualify for bonuses, advancements or incentives. These requirements are detailed in approved LFA literature and apply to each bonus period.

All bonus errors must be reported within 60 days for review. LFA will not be responsible for any errors or omissions reported after 60 days.

27. Cheques, Business Management System and Recipient Created Tax Invoices

Commission cheques are processed by LFA to members on the 10th day of each month for bonuses earned during the previous month. When the 10th day of the month falls on a weekend or public holiday, cheques will be processed on the next business day. Any cheques for USD \$5.00 or less will be held and added to a members account. Once it has reached the threshold of USD\$15 this amount will be paid out. The bank will not honor bonus cheques that have not been cashed for more than 90 days. Members who are in possession of expired commission cheques will be issued a replacement cheques upon receipt by LFA of a written request from the member to whom the original cheque was issued. The original cheque must accompany the replacement request and will incur a \$15 administration fee. Lost cheques require a \$25 stop payment and reissue fee.

A Business Management System (BMS) will be printed for members receiving a bonus cheque. The BMS will show the calculation of a member's bonus in detail. Members should use their BMS as a tool to manage, supervise and train the members of their MARKETING ORGANIZATION. For members paid as an associate three through silver, a printed version accompanies the bonus cheque, and a small monthly fee is deducted from the cheque. This fee is calculated at \$4 USD for the first five pages, plus \$0.07 USD for each additional page of the cheque recap statement. For members paid as Gold and above, an online version is provided for viewing anytime during the month, and a small monthly fee is debited from the account. If a member wishes to discontinue the online BMS and revert to the paper BMS accompanying their commission cheque, the member may contact the customer service department to do so.

LFA is registered for GST. Members must notify LFA as soon as they are registered for GST. When commissions are paid to members registered for GST, LFA will issue Recipient Created Tax Invoices to members and members will not need to issue a tax invoice to LFA.

Email an order to: lfanz@lifeforce.net

Fax an order to: 61-2 9854 9101

Telephone an order to:

1800-888-306 - Australian orders

0800-445-967 - New Zealand orders

Mail orders to:

1/16 Lexington Drive, Bella Vista, NSW 2153 - Australian orders/cheques

PO Box 160, Albany Village, Albany, Auckland New Zealand - New Zealand cheques only

28. Automatic Orders

When members and customers choose to have their products automatically shipped to them on a specified day between the

1st and the 25th of each month, the members, the customers and LFA all save money. Both members and customers purchase products at low factory-direct prices from the company. Automatic order members and customers, however, enjoy an additional discount. We are able to offer this discount due to the improved efficiency automatic shipments promote. Furthermore, autoship members and customers are free to place additional orders and enjoy the same low autoship prices.

The automatic order program provides a member to designate the products that will be automatically processed each month on the day they specify between the 1st and the 25th regardless of any other orders they have placed during the month.

The member can change the date of an automatic order up to five business days prior to the processing date. When the processing date of an automatic order falls on a weekend or holiday, the order will be processed on either the previous or following business day.

To sign up for Autoship, simply call Customer Service at 61-2 9854 9100. Payments by direct debit, Visa, MasterCard, or American Express are acceptable.

29. Autoship Cancellations

Automatic order cancellations must be received by LFA in writing via mail, email or fax at least five business days prior to the processing date. For prompt processing, request must include the Member/Customer Name and Identification Number. If an autoship package is returned or refused, the automatic order may be cancelled and the membership may be subject to the disciplinary measures listed in policy 56. The terminated member may not reapply for membership for three calendar months following the month in which the termination occurred.

30. Inventory Loading and the 70% Rule

As an LFA member, primary emphasis should be placed on product sales and distribution to end-users. Members may purchase products for personal consumption and such sales are recognized as retail sales for end-user consumption. However, the company does not require its members to maintain an inventory with a view of servicing customers direct. The company expressly prohibits purchases of products solely for bonus qualification.

Any member found to be promoting inventory loading may be subject to the disciplinary actions listed in policy 56.

LFA reserves the right to verify that inventory loading is not being practiced by randomly sampling those members receiving bonus *cheques*. Members must certify that over 70% of previously purchased company products have been sold or consumed before further products can be ordered.

31. Returned Remittances and Delinquent Payments

Returned *cheques* and rejected payments constitute a breach of the agreement, and a service fee will be charged. It is strictly a customer or member's responsibility to keep their method of payment current. Expired credit cards, returned cheques or insufficiently funded debit accounts may result in a loss of earnings. Orders will not be shipped and sales volume will not count if payment has not been collected.

Returned cheques will result in a \$25.00 charge. A second returned cheque results in a further \$25.00 charge and loss of privilege to purchase by cheque.

In the case of automatic orders, if payments are declined three consecutive months, the automatic order will be permanently cancelled.

32. Unauthorized Purchases

Any sponsor who registers a new customer or member without their authorization and then places an initial or automatic order for the new person without their permission, will be responsible for the purchase, all shipping and handling fees, and a 10% administration fee. Offenders are also subject to the disciplinary measures listed in policy 56.

33. Back Orders

If an item ordered is temporarily out of stock, the packing order will have the notation "Back Ordered" under the product description. Once the product is available, it will be shipped at no additional charge. Back ordered products are paid for when ordered. BUSINESS VOLUME is accrued for the bonus period in which the order was placed.

34. Order Errors

Members should notify LFA immediately of any errors or questions about orders or charges. All packages are accurately weighed and contents are recorded. However, in the unlikely event an item is missing from a package, contact the company within five business days of receipt; otherwise, it will be assumed that the complete order was received.

LFA will correct any charge errors that are reported within 30 days, but LFI will not be responsible for any errors, omissions or problems not reported within 30 days.

35. Shipping

Orders received and processed prior to 3:00 p.m. (AEST) Monday to Friday should normally be shipped the following day. Orders received and processed after 3:00 p.m. (AEST), on weekends, or on holidays will be shipped the day after.

36. Postage Charges

LFA has no minimum order restrictions. All orders are shipped via the carrier under contract with LFA and these charges are passed on to the end consumer.

37. Will Call Orders

Will Call orders are available at the Life Force head office. For optimal service, it is highly recommended will call orders be placed over the phone at least 24 hours prior to being picked up.

38. Customer Product Guarantee

If a customer returns an order placed with LFA within ten days of the order transaction date, LFA will refund 100% of the purchase prices including shipping and handling costs.

If after purchasing a LFA product and using it for a reasonable amount of time, the customer is not completely satisfied, contact the customer service department who will assist you with a 100% refund or replacement, less shipping and handling, when goods are returned either used or unused and received within 45 days of purchase.

Customers must prove that over 70% of the previously purchased company products have been sold or consumed before further products can be ordered and prior to credits being processed. Once received by LFA, refunds will be issued within 30 days of receipt by the shipping department. Returns exceeding 45 days of purchase will not be honored whether the product is sealed or opened. Return shipping fees are the responsibility of the customer. Proof of purchase

(invoice, copy of invoice, or invoice number) is required for all refunds or replacements.

To maintain BV statistics, LFA will not process returns on the last working day of the month, but will instead process these returns on the first working day of the next month.

39. Member Product Guarantee

When a member purchases product(s) from LFA, the member shall receive a 100% refund or replacement, less shipping and handling, when product(s) are returned either used or unused and received by LFI within 45 days of the purchase date. After 45 days and before 90 days, the member shall receive a 90% refund or replacement less shipping and handling, only when the product(s) returned are reusable and resalable with a realistic expiration date (no less than nine months).

Once LFA's shipping department receives the product(s), refunds will be issued within 30 days. Returns exceeding 90 days of the purchase date will not be honored, whether the product(s) is sealed or opened. Return shipping fees are the responsibility of the member.

Members must prove that over 70% of previously purchased company products have been sold or consumed before further products can be ordered and prior to credits being posted.

Proof of purchase (invoice, copy of invoice, or invoice number) is required for all refunds or replacements. LFA will clawback all commissions and incentives paid to members relating to the purchase of the products being returned.

Any refund requests may cancel the Independent Member Agreement at the option of LFA. However, in the following instances LFA will interpret the following actions as the member voluntarily resigning their membership; 1) A member makes three returns for refunds in a rolling 12-month period; or 2) A member or customer returns over AUD\$500 worth of merchandise at any given time. To maintain BV statistics, LFA will not process returns on the last working day of the month, but will instead process these returns on the first working day of the next month.

Any abuse of the refund product guarantee may result in the termination of membership.

40. Customer Purchase from Member

When a customer makes a purchase from a member, the customer shall return the product to the member within 30 days for a 100% refund, exchange, or replacement. Members are required to honor the retail customer refund policy in a prompt and courteous manner.

Failure to do so is a serious violation of company policy, and may result in disciplinary measures listed in policy 56.

Please note when a customer purchases from a member, this is an agreement between the customer and member and not LFA.

Advertising & Marketing Policies

41. Product Display & Retail

LFA strongly supports home-based businesses and personal product presentations. To maintain a standard of fairness, members may not stock or sell LFA products at retail establishments.

Retail establishments are defined as businesses that are available for open entry by the general public and the primary function is the retail sale of products.

Examples of these would include health food stores, pharmacies, grocery stores and supermarkets, kiosks, chain/franchise stores, flea markets, swap meets and malls. Owners of retail establishments may be sponsored in to LFA, but are required to conduct their business outside of the establishment. A small promotional display of literature with the sponsor's contact information is allowed with an empty container of product at the sales counter.

LFA further prohibits the retail sale of products through any online retailer or auction sites, including, but not limited to currently operating commercial auction sites. This policy is necessary to protect the integrity of the company and its products and is not intended to harm the member in any manner.

Members who have service-oriented offices will be allowed to display and sell products within their place of business. A service-oriented establishment is defined as a business where entry by the general public would require a membership or appointment and its primary function is the sale of professional services.

Examples of these would include doctor's offices, chiropractors and other health professionals, health clubs/gyms, barbers, salons/spas, nail shops, or counseling centers.

Exterior signs or window displays will not be allowed at any location.

42. Restaurants/Coffee Houses/ Juice Bars

LFA will permit establishments such as restaurants, coffee houses and juice bars to add LFA products to the foods and beverages produced by the establishment. However, retail sales of LFA products individually would still not be permitted per policy 40.

A small promotional display of literature with the sponsor's contact name and information along with an empty container of product at the sales counter will be permitted.

43. Resale Product Pricing

Members are free to resell LFA products to customers at current market prices at their own discretion. However, at no time shall a member be permitted to sell or market the sale of LFA products at any price below the Company "factory-direct prices." Factory-direct prices shall be defined as those prices regularly available from the Company, excluding Auto-ship pricing.

Violation of these policies may result in disciplinary measures listed in policy 56.

44. Reproduction of LFA Materials

The reproduction of any current or previously LFA or LFI published material is not permitted without the written consent of LFA and LFI.

45. Trademark, Service Mark and Trade Name Restrictions

Members may not in their independent marketing material use, reproduce or disseminate LFA's corporate logos, registered trademarks or service marks except in the use and dissemination of literature or other published items, made available by LFA. This applies to all trademarks or service marks designating products or services offered by LFA and

LFI. Members are allowed to use LFA's trade names and product names when describing or discussing LFA, the business opportunity and LFA's products in their sales aids. This includes, but is not limited to, the acronyms "LFA" or "LFI"; the terms "Life Force", "Life Force Australasia" or "Life Force® International" and any LFA or LFI product names. However, a website domain name, redirect website link, or email address created by an independent member may not contain any of LFA's or LFI's trade names and/or product names.

Examples of these would include:

support@lifeforcesupport.net www.osteoprocurehealth.com
info@LFIteam.net

Members may use the "Independent Member" logo developed by LFA on business cards, letterheads, envelopes or any other advertising (see policy 46) and may not be combined with any non-LFI products or services.

46. Unsolicited Fax and Phone Blasts

Soliciting anyone for products sales, business opportunities, or other marketing ventures by fax or phone blasts without their prior consent or request is prohibited. Violation of this policy may result in disciplinary measures detailed in policy 56.

47. Restrictions on Advertising

Members who create, publish or distribute any literature, audio or video tapes, telephone ads/messages, radio or television ads, materials or merchandise representing LFA, its products, services, compensation plan or business opportunity, other than that which is provided by LFA, or that which contains only information that is set forth in the current marketing materials of LFA, take full responsibility for the content of such advertising and are expected to stay abreast to current guidelines to help ensure their material is within compliance. Life Force International and LFA are not responsible or liable for marketing materials members create outside of corporate sanctions.

Each promotional item independently created by an LFA member that promotes LFA, its products, services or compensations plan must be truthful, substantiated and not misleading. In addition, the following disclaimers must be present at the end of a member's marketing piece: "Distribution within the (Australian or New Zealand). market only;" and the statement, "This [Insert type of advertising] was prepared by an Independent Life Force Australian member." For those members who create an independent website, these statements must be present on every page of the site. The abovementioned statements must appear on each promotional item in a manner that is both clear and conspicuous to the reader.

If a member chooses to make a product structure/function claim in their advertising, the only structure/function claims authorized for use are the ones pre-approved by Life Force Australia as detailed in the Member Marketing Guidelines. A structure/function claim is defined as a claim that describes the role of a nutrient or dietary supplement that affects the normal structure, function or general well being of a person. At the end of a structure/function claim, an asterisk (*) must immediately follow. Furthermore, in close proximity, the following FDA statement in a hairline box must appear:

*These statements have not been evaluated by the TGA. These products are not intended to diagnose-treat-cure- or prevent any disease.

LFA strongly encourages members to use corporate sanctions materials. LFA is available to provide assistance to members who have questions about marketing policies in relation to creating their material. However, LFA cannot provide an official review or approval code for any independently created marketing material, including websites. Marketing Guidelines are provided on the corporate website to assist members in ensuring independent materials are within compliance.

Violation of this policy could cause misrepresentations or other legal improprieties in the display, advertisement or promotion of LFA products, services or marketing plan, which could be injurious to LFA's image, reputation, and standing with various regulatory agencies. A member who creates and uses promotional materials outside compliance and company guidelines will be held personally liable and will be subject to the disciplinary measures listed in policy 56.

48. Independent Member Website Policy

LFA members may create websites that promote LFA, its products, services or compensation plan, however must meet the requirements set forth in policy 46.

In addition to the requirements detailed in policy 46, member websites that have any testimonials, product structure/function claims or general statements pertaining to LFA products/product ingredients must be a minimum of two web page clicks away from where the products can be purchased. The clicks cannot contain additional testimonials, claims or comments about LFA products and/or product ingredients. Refer to the Member Marketing Guidelines for further details. For optimum security, Life Force Australia encourages members who take product orders to provide a redirect link to either the LFA corporate website or a member's self-replicating site provided by LFA as an alternative to keeping payment records in unspecified locations.

Life Force International is aware that many LFI members sell and promote products and business opportunities aside from LFI. In order to maintain the LFI level of excellence and product integrity, all Life Force members web sites shall be solely limited to promoting and selling Life Force products. No competitive products and services may be included or linked to the member's web site.

Violation of these policies may result in disciplinary measures listed in policy 56.

48A. Spamming

Spam is defined as an unsolicited email or electronic message, often of a commercial nature that is sent indiscriminately to multiple mailing lists, individuals, or newsgroups. Spamming to Internet users is prohibited. Violation of these policies may result in disciplinary measures listed in policy 56.

48B. Free Product Giveaways

In order to maintain a standard of fairness to all our Members, we must limit the number of bottles of product that can be given free with a purchase. For all print media and websites, one (1) bottle of the product of your choice may be given away free for every eight (8) bottles of products purchased. This is capped at a maximum of one (1) free bottle of product given away free per eight (8) bottle order. No more than one (1) bottle of free product can be given away per order, regardless if more than the minimum of eight

(8) bottles is being purchased. Any order less than eight (8) bottles purchased, is not eligible for a free product giveaway.

48C. Free Shipping Offers

Free shipping can only be offered on first time orders, with the commitment of autoshipment. Offers cannot be combined. Either a free product may be given away (see policy 47b above) or free shipping may be offered. This can only be offered on the first order and cannot be ongoing.

49. Lead Generation and Downline Building Services

Members should carefully consider whether to organize or participate in lead generation campaigns or downline building organizations. LFA does not endorse or guarantee success in such programs. In addition, all lead generation and other related downline building services are prohibited from being displayed, linked or used in a member's independent website.

50. Trade Shows and Fairs

LFA members are allowed to display and sale LFA product at venues such as trade shows and fairs. It is expected of the member to conduct him/herself in a fair, honest, reputable manner and follow all of the company's advertising and marketing guidelines. The advertising, distribution or marketing of products or services not related to LFA will not be permitted at the same table or booth with LFA's materials. In addition, the display table or booth LFA members are allowed to display and sale LFA product at venues such as trade shows and fairs. It is expected of the member to conduct him/herself in a fair, honest, reputable manner and follow all of the company's advertising and marketing guidelines. The advertising, distribution or marketing of products or services not related to LFA will not be permitted at the same table or booth with LFA's materials. used must be clearly represented as an independent member's presentation, not as an LFA corporate-sponsored one.

51. Audio & Video Advertising

For all audio and video advertising created by members, including but not limited to radio and television ads, slide shows, tapes, compact discs, computer-generated audio files, they must adhere to the detailed transcript verbatim to forgo any unapproved information from being relayed. As reviewed in policy 53, in the event that a member is contacted by the media inquiring about LFA's products, compensation plan or services, the member must refer the media representative to the LFI corporate office.

In addition, for audio and video ads, the following disclaimer statement must be stated: "This advertisement has been paid for and produced by (Member's Name); a Life Force Australian Independent Member". Members are expected to follow the marketing guidelines set forth as to what can and cannot be said about LFA products, services and/or business opportunities.

52. Member Telephone Message

When members create a phone message for their LFA business prospects, they are required to clearly state that they are an independent member of LFA. This is necessary to ensure that the caller is aware that they are speaking to an individual member and not the corporate office.

Examples of this would include: "You have reached the voicemail of (your name), Independent Life Force Member." or "Thank you for calling Life Force Independent Member (your name)."

53. Telephone Yellow/White Page Listing

If a member chooses to post a listing for the yellow or white pages, the listing needs to be listed under one of the following sections: health supplements/foods, food supplies, holistic/alternative health, nutrition, herbs, fitness or beauty. The only information that is allowed to appear is the member's name, LFA identification (ID) Number, "Life Force Independent Member", and a contact phone number. The use of any images, including the independent member logo would not be permitted for use in this sort of advertising.

Example: Mary Smith
Life Force Independent Member
ID#123456
(xxx) xxx-xxxx

Miscellaneous Policies

54. Media Inquiries

It is LFA's policy to have a single spokesperson handle all corporate inquiries from the media and all media relations. Therefore, members may not for any reason, act as the legal representative or LFA spokesperson if approached by the media regarding LFA, its compensation plan, its product or services (see policy 4). It is in violation of this policy for a member to represent him/herself as such, regardless of whether the information is positive or negative, accurate or inaccurate. All inquiries members receive from the media (whether radio, television or print) must be referred to:
The Managing Director
Life Force Australasia
1/16 Lexington Drive, Bella Vista
NSW 2153 Australia
Ph: 61-2 9854 9100

55. Member/Employee Relations

Company employees are trained to be courteous and professional in all contact with the public. Should a member ever receive less than this from company personnel, they should document the situation and forward it to an executive staff member for immediate review.

Members are expected to extend these same courtesies when dealing with corporate office staff, via telephone, internet or in person. Company employees are not required to endure any abuse. Whenever they feel this is occurring, they are to turn the call over to a supervisor. If this is not possible they are to politely end the conversation and document the incident. This documentation will also be forwarded to company executives for review. In severe circumstances offending members may be subject to the disciplinary measures listed in policy 56.

56. Compliance Claim and Investigation Procedure

The responsibility and duty of the LFA compliance department is to make sure all enquiries, investigations, and grievances related to the policies and procedures are handled in a fair and objective matter without prejudice to any party. Because of this, the compliance department must act on claims that can be substantiated with proof of the alleged violation in question. LFA will not tolerate or condone members participating in filing untrue claims for any reason. Reports of alleged policy violations or questions must be submitted in writing to the attention of the compliance department. Upon receipt of such items, the compliance department will conduct all necessary research and follow through with all parties accordingly.

57. Disciplinary Measures

All of the policies in this Statement of Policies, which constitutes the Independent Member Agreement, and any other agreements entered into by and between LFA and the members are material terms to the agreement between LFA and the members. Any violation of the terms and conditions entered into by and between LFA and the members or the Statement of Policies or any illegal, fraudulent, deceptive or unethical business conduct by a member may result, at LFA's discretion, in one or more of the following corrective measures:

- a. Issuance of a written warning;
- b. Imposition of a fine to be withheld from future commission cheques;
- c. Suspension or termination of current and future commission cheques;
- d. Reassignment of all or part of their marketing organization;
- e. Suspension of their independent member agreement;
- f. Termination of their independent member agreement;
- g. Any other measure expressly stated within the policies set forth in the Statement of Policies.

Should a member be terminated for cause, any rollups will be at the sole discretion of LFA. Should a terminated member wish to re-apply for membership, approval from a senior Executive will be required.

58. Indemnity

Each member shall hold the company harmless for any claims, damages, or liabilities arising from the member's misrepresentation, negligence or failure to follow these policies and procedures.

59. Statutory Precedence

LFA's Statement of Policies is subject to the prevailing laws governing our industry. These laws take precedence over any item included herein.

60. Program Modifications

In order to maintain a viable business and to comply with governing laws and economic conditions, LFA has the sole right and discretion to modify its compensation plan, product line, pricing or policies without notice. Such modifications shall be immediate.

61. Social Networking Sites

If a Life Force Member or Customer belongs to a social networking site, i.e. Facebook, My Space, Twitter, etc. they must represent themselves as an Independent Member of Life Force International to avoid confusion with the corporate account. For example, the account name would need to read "Life Force International Independent Member, or "Independent Member, Life Force International.

GLOSSARY OF TERMS

ID NUMBER – The computer-generated number used by LFA to establish a genealogy, track sponsoring efforts, purchased products and generates bonus payments.

HOUSEHOLD – Lifetime partners, immediate family (parents, children, or spouse) or dependents residing at the same address.

REFERRAL MARKETING – A method of marketing whereby members refer customers and other members they enroll directly to LFA for product purchases. Both members and customers enjoy the same factory-direct

pricing, but only members are compensated for promoting LFA and for building a marketing organization.

BUSINESS VOLUME – The volume assigned to product purchases used to calculate bonuses and award incentives.

COMMISSION RECAP STATEMENT– The accounting record LFA prepares monthly that tracks purchase activities for a marketing organization.

MARKETING ORGANIZATION – All levels of individuals and business entities for which LFA provides compensation.

ENROLLMENT SPONSOR – A member of LFA who personally enrolls other individuals as a member or customer.

PLACEMENT SPONSOR – A member or customer's immediate upline.

J.P. (Justice of the Peace) – A local magistrate empowered to prove to be just, right or reasonable.

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1/16 Lexington Drive
Bella Vista, NSW 2153
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Life Force Canada
STATEMENT OF POLICIES AND PROCEDURES
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CODE OF CONDUCT DECLARATION

Life Force Canada (subsequently referred to as “LFC” or the “company”) has established the following code of conduct to guide the appropriate, efficient and ethical operation of LFI. We require our members and customers to abide by the letter and spirit of this code that forms our contract with all registered parties of LFC.

1. Member Obligation

LFI members will:

- a. Conduct themselves in an ethical and professional manner;
- b. Sell the company’s products in accordance with the Company’s compensation plan;
- c. Make it clear that success in LFC’s compensation plan is based on retail sales rather than sponsoring;
- d. Represent the compensation plan only as prescribed by LFC; indicating that the average member earns less than \$2000 per year;
- e. Comply with applicable consumer protection laws and regulations; and
- f. Provide training, motivation and support to members in their organization.
- g. Maintain current and accurate information concerning the address, phone number, email, method of payment and any other data on their file.

LFI members will not:

- a. Engage in deceptive, unlawful, or unethical business or recruiting practices;
- b. Engage in high pressure selling or recruiting practices;
- c. Make misleading sales claims or guarantees concerning the company’s products;
- d. Make misleading claims or guarantees concerning potential earnings;
- e. Sponsor or enroll minors or persons who are not capable of making an informed decision;
- f. Conduct business activities in countries other than those approved by LFC;
- g. Purchase Business Volume on another member or customer’s account to qualify for any LFC bonus or commission;
- h. Seek in any way to violate or circumvent LFC policies.

2. Obligations of LFC

The company will:

- a. Conduct itself in an ethical and professional manner;
- b. Administer the policies and procedures of the company fairly, without prejudice or favor;
- c. Provide worldwide liability insurance on its products when used in accordance with the instructions on the label;
- d. Compensate members in accordance with LFC’s approved compensation plan;
- e. Process orders and ship products in a timely fashion;
- f. Provide members with the organization and volume information required to manage business activities; and
- g. Comply with all laws governing the sale and distribution of products and the compensation of participants.

The company will not:

- a. Guarantee success in LFC;
- b. Provide any commissions for the recruitment of others;
- c. Tolerate members pressuring prospects into purchasing large quantities of inventory;
- d. Tolerate misleading product claims;

- e. Tolerate members “stocking up” on products merely to obtain commissions;
 - f. Advise members on their personal account management;
 - g. Represent that there is any substitute for hard work and preparation;
 - h. Tolerate members purchasing Business Volume, or soliciting other members to do so, on another member or customer account other than their own to qualify for any LFC bonus or commission.
- Violation of these policies may result in disciplinary measures listed in policy 57.

ADMINISTRATIVE POLICIES

Membership Policies

1. Becoming a Customer

LFC defines customers as persons who simply wish to purchase products and choose not to participate in the LFC income opportunity. Anyone may become a customer at absolutely no cost whatsoever and purchase LFC products at low factory-direct prices. Alternatively, customers may purchase directly from their sponsor at a fair and equitable retail price. To become a customer, you must have a sponsor. Bonuses on customer purchases will be paid to the sponsoring organization.

For account management purposes, a customer will be assigned a computer-generated Identification Number which they should use when ordering products or making account inquiries. In addition, to remain active a customer must purchase products at least once every twelve months. However, LFC reserves the right to accept or reject any customer at any time.

In the event a customer is registered under a business name, it is required to have the contact name for the owner/manager of the business entity.

Customers may elect to change their status and become a member at any time during the calendar month. Should a customer become a member, the newly converted member will be eligible to change their placement sponsorship as detailed in policy 20D. Any new downline the upgraded member has built will be transferred upon completion of the placement change. The enrollment sponsorship of the upgraded member however cannot be transferred.

2. Becoming a Member

Membership in LFC does not constitute the sale of a franchise or distributorship and no product purchase is required as a means to obtain the right to become an LFC member. A person may be awarded a membership as an individual, or in the form of a bona fide business entity such as a partnership or D.B.A.

Should a business entity register as a member, the point of contact for the business entity will be subject to the policies and procedures as if they were the member. In addition, there must be a contact name for the owner/manager of the business entity as well.

To become a member and participate in the LFC compensation plan, an individual must:

- a. Agree to abide by the LFC policies and procedures;

- b. Be of legal contractual age in their province of residence;
- c. Have a sponsor; and
- d. Remain active by purchasing products at least once every six months.

If a registered member of LFC goes six months without making a purchase, at midnight on the last day of the sixth month of inactivity, the member will revert to a customer status. The member's existing downline organization will roll up to the immediate upline sponsor, and the enrollment sponsorship of any members who had been previously enrolled by the inactive member will be transferred to the member's Enroller. As a converted customer, the individual will then have an additional six months to place an order before complete removal from LFC takes place.

If a member calls after being changed to a customer to place an order, they will remain a customer unless they request to become a member again. A member who upgrades back to a member status after being changed to a customer due to inactivity will not re-obtain their previous downline organization.

Compliance with these requirements entitles a participant to lifetime membership. Membership is not transferable, and cannot be sold or assigned without prior approval of LFC. Although no product purchase is required to become a member, new member registrations over the telephone where the new member is not present, or registrations via the internet or utilizing any other electronic method where an individual cannot verify their intent to become a member, must include the following:

Full name, address (mailing and shipping), complete telephone number, and both enrollment and placement sponsor's Identification Number. Incomplete electronic applications will be automatically rejected, whether sent via email, internet or fax.

Due to LFC's liberal application process, any registered member who has never placed an order may challenge the validity of their registration and request immediate termination without prejudice, and join under the member of their choice.

Registering members or customers without their permission is not allowed. Anyone caught registering an individual without the permission of the individual being registered shall be subject to the disciplinary measures listed in policy 57.

Although members are authorized to sponsor other members and enroll customers, LFC reserves the right to accept or reject any member.

3. Member Identification

Similar to customers, each member is assigned an Identification Number. This number is used to track sponsoring efforts, product purchases and bonus payments.

4. Independent Status

Members associated with LFC are independent contractors. If members do any business, they are responsible for conducting their own business activities without company control or direction and are not an agent, employee or legal representative of the company.

Members are not authorized to incur any debt, expense or obligation on behalf of or for LFC nor bind LFC to any agreement or contract. Independent contractors have the following responsibilities:

- a. Abide by all laws, rules and regulations pertaining to the acquisition, receipt, holding, selling, distribution and advertising of LFC products and business opportunity;
- b. Be solely responsible for declaration and payment of any associated taxes or fees. LFC is not required to issue T4's to Canadian members;
- c. Be solely responsible for any required disability or compensation insurance;
- d. Supply any equipment and tools necessary for operating their business, such as telephone, transportation, professional services, office supplies; and
- e. Provide their own place of business and determine their own work hours.

5. Beneficiaries

Upon death or incapacity, the benefits of this agreement shall inure to the member's heirs or successors in interest and the obligations and benefits of this policy shall be binding upon the respective successors.

In the event of death, the designated beneficiary will need to provide LFC with a certified copy of the final will and testament (or probate decision in absence of a will) along with a certified copy of the Death Certificate.

6. Second Position

Without exception, only members who have achieved the rank of Gold in the LFC compensation plan may have a second position in LFC under the following conditions:

- a. The second position may only be enrolled and placed first level to the first position;
- b. Members and customers originally sponsored under the first position with an enrollment date preceding the second position, may not be transferred to the second position;
- c. The second position may be in the name of a spouse or bona fide business entity, but no HOUSEHOLD may have more than two business positions.

A spouse, business/charity organization, or secondary personal account would fall under the category of a second position. In addition, customers would not be allowed to have a second account unless they have become a member and achieved the rank of Gold.

Failure to meet these may be subject to the disciplinary measures listed in policy 57.

7. Third Position

Without exception, only Members who have achieved the rank of 1 Star Diamond in the LFI compensation plan may have a third position in LFI under the following conditions:

- a. The third position must only be enrolled and placed first level to the first position;
- b. Members and Customers originally sponsored under the first position with an enrollment date preceding the third position may not be transferred to the third position;
- c. The third position must have a separate Social Security or Tax Identification number, and it may be in the name of a spouse or bona fide business entity, but no HOUSEHOLD may have more than three business positions.

A spouse, business/charity organization, or tertiary personal account would fall under the category of a third position. In addition, Customers cannot have a third position unless they become a Member and achieve the rank of 1 Star Diamond.

When signing up a third position, the member must identify the position as a third position in their account.

Failure to meet these conditions may be subject to the disciplinary measures listed in policy 56.

8. Multiple Households at a Single Address

LFC has an obligation to ensure that the integrity of its multilevel organizational structure is protected from stacking, a manipulation of the compensation plan that negatively impacts upline sponsors. For example, when family members are chain-sponsored one after the other; upline commissions are negatively affected, even cut off. To prevent this situation, multiple households residing at the same address must be enrolled and placed front line to the original member residing at that address. For example, if parents and adult children are living at the same address, all family members must be sponsored front line to the original member of LFC residing at that address.

- a. Individual rent-paying tenants in the same building or residence are not considered a household.
- b. Roommates are not considered a household.

9. Marriage of LFC Members

In the event that two LFC members have separate accounts prior to their marriage, LFC will allow them to maintain their accounts after they are legally wed with the presentation of a marriage certificate, verifying the date of their marriage or legal union for domestic partners.

10. The Divorce/ Annulment of LFC Members

If there is an LFC member account that is shared by a married couple and those two parties become divorced or have an annulment, they may open separate individual accounts. Both parties would be required to send in a signed written request of their registration along with an official copy of their divorce/annulment papers before the registrations can take place.

11. Fictitious/Falsified Information

The use of a fictitious name, address, phone number, or other information for an LFC account is strictly prohibited. Members participating in such activity may be subject to disciplinary measures listed in policy 57.

12. Change of Name, Business Name, and SIN/Tax ID Number Information

Members and customers are responsible for notifying LFC in writing using General Purpose Request Form 1052 by letter or fax of any change in their name, business name, SIN/Tax ID information (if applicable), etc.

Send form to:

Life Force® Nutri-Blends Canada Inc.
106 -2293 Leckie Road
Kelowna BC V1X 6Y5 Canada
Email: canada@lifeforce.net
Fax: 250-860-6917
Telephone: 250-860-6517

13. Voluntary Resignation

Members and customers may resign their membership at any time with a signed and dated letter indicating their intent to discontinue their LFC account. For a member terminating their position, any downline organization affected by the resignation shall be transferred to the resigning member's sponsor. Enrollment Sponsorship shall be transferred to the resigning member's enroller.

Once resigned, a formerly active member or customer may not re-apply for a new account for three calendar months following the month in which the termination occurred or

unless they have received the signatures of the six previous upline sponsors. However, an individual can re-register, with no wait period, under the same sponsor as that of their resigned position. If a resigned member had achieved the rank of Platinum or higher, readmission as a customer or member requires the approval of a senior LFC Executive.

14. Sale of an Independent Membership

An Independent Member may sell, assign or otherwise transfer their Independent Membership, marketing position, or any other Independent Member right with the prior written approval of LFC. Prior to approval, LFC requires that all documents of sale be signed and notarized by all parties, and that they be submitted to LFC.

The Offer of Sale of the Independent Membership must first be offered in writing* to the Independent Member's immediate upline sponsor and a copy of this offer must be forwarded to the LFC Home Office. If the immediate upline sponsor declines the offer and sends their refusal to LFC in writing*, the Independent Member must offer the Independent Membership, individually, one at a time, to the five additional upline Members. Copies of each Offer of Sale must be sent to LFC. If each of these five additional upline members send their refusal in writing* to LFC, the member may then offer to any Gold or above in good standing with LFC, on the same terms and conditions as were offered to the immediate upline sponsor. If the transaction is completed and approved by LFC, the organization that is sold/purchased will remain in its original position in the LFC genealogy. The sale, transfer or assignment of the majority of voting shares in a corporate Independent Membership is deemed a sale of an Independent Membership and is subject to the same requirements. In the case of a member electing to purchase a second position, that position will take the place of the possible "first level" position that could be originated and developed by attaining the rank of Gold. In all cases, LFC reserves the right to review and approve the entire transaction including, but not limited to, the "offer to sell." It is a violation of LFC Policy to solicit or compensate a downline Independent Member to voluntarily resign his/her independent Membership solely for the purpose of advancement in the Compensation Plan.

A member who has sold their membership may not reapply for membership or purchase another position for three calendar months following the month in which the original membership was sold, or unless they have received the signatures of the six previous upline sponsors.

*All correspondence must be signed and officially notarized.

15. Cross Sponsoring

LFC prohibits current and former members, either directly or through a third party, from promoting another company's business during an LFC-sponsored activity or any activity promoted as such. Members shall not solicit members to any other REFERRAL MARKETING, network marketing or direct sales business except those members they personally sponsored. Violation of this policy by a member constitutes voluntary resignation and cancellation of their Independent Member status, effective the date of the violation, and the forfeiture of all bonuses payable for and after the calendar month in which the violation occurred. If LFC pays any bonuses for and after the calendar month in which the violation occurred, these shall be refunded to LFC. Any cross sponsorship or cross recruiting is strictly prohibited, and may result in disciplinary measures listed in policy 57.

Violations of this policy are especially detrimental to the growth and sales of other independent members' businesses and to LFC's business. Therefore, LFC may seek and obtain

from the violating member damages for violations of this policy. If litigation or arbitration is undertaken to recover bonuses or damages as specified herein, the prevailing party shall be entitled to an award of legal fees and expenses.

16. Proprietary Information and Trade Secrets

By joining LFC, an Independent Member acknowledges that all membership information contained in any report provided by LFC that includes, but is not limited to names, email addresses, mailing addresses and telephone numbers of other LFC members and customers is considered to be LFC's proprietary trade secret information. The member agrees not to disclose such information to any third party or use such information for non-LFC purposes. The member acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to LFC and to independent LFC businesses. LFC and its independent members will be entitled to injunctive relief to prevent violation of this policy. If litigation or arbitration is required to obtain injunctive relief or to recover damages, the prevailing party shall be entitled to an award of legal fees and expenses.

Independent Member & Sponsoring Policies

17. Direct Solicitation to LFC

From time to time, LFC may receive inquiries from the public about its products and opportunity. When this occurs, the company tries to ascertain whether the contact with the company resulted from a member's sponsoring/prospecting efforts. If so, the inquiring party will be referred to that member. Prospective members and customers, who have simply heard of LFC without any discoverable contact with a member, will be informed of their need to have a sponsor. LFC will not distribute leads.

18. Sponsoring

Members have the right to recruit or sponsor others into a LFC business. Any member, who sponsors other members, must fulfill the obligation of performing bona fide supervisory, training and selling functions in the marketing of LFC products and program benefits. Firstly, sponsors should teach their organization that nutritional and dietary supplements are food products - not medicines. Secondly, no hypothetical examples of what is mathematically possible, nor income representations, projections or potentials may be used in any Business Presentation without the appropriate Disclaimer, "the average Network Marketing Distributor earns less than \$2000.00 per year." No member can guarantee the success of any prospect. Members shall avoid any suggestion that it is easy to attain high-income levels, and shall always explain that each individual's success depends solely upon the level of effort expended and their personal commitment to the LFC program. A member shall make it clear that the Compensation Plan is based upon retail sales of the LFC products, and that no compensation is available from the Compensation Plan or otherwise merely for the sponsorship of other members. Retail selling is a requirement in this marketing program, and must be emphasized in all sponsoring presentations.

19. International Sponsoring

Members may only sponsor people in countries where LFC is authorized to conduct business. Legal requirements differ for each country, so sponsors should not assume that membership requirements are the same worldwide. Some countries, for example, legally require both application forms and fees. International sponsors are subject to the policies

and procedures set forth by LFC in each country where they build a marketing organization. Also, members should be aware that prices vary from country to country due to governing economic influences such as taxation, freight and importation duties.

LFC members must utilize only authorized distribution channels to build their marketing organizations. Members may not individually import, export or distribute LFC products or business building tools in any country. Violators of this policy shall be subject to the laws governing that country. Violators of this policy are likewise subject to the disciplinary measures listed in policy 57.

20. Unauthorized Countries

Members are not allowed to sell, advertise, market, or ship LFC products, the business opportunity or other LFC related services to countries LFC does not have official authorization to conduct business in. Violation of this rule may lead to legal problems, which is very damaging to LFC's reputation and standing with regulatory agencies. Members who participate in this activity will be held directly liable and will be subject to the disciplinary actions detailed in policy 57.

21. Enrollment and Placement Sponsor Changes

It is highly recommended that all new members be placed on the first level of their Enrollment Sponsor upon registration, meaning that the Enrollment Sponsor and Placement Sponsor is the same person. Any placement of a new member or customer other than on the first level will be considered the Enrollment Sponsor's one placement for that member or customer. Upon registration, a member or customer understands that his or her Enrollment Sponsor may change his or her Placement Sponsor following the guidelines below.

All Enrollment and Placement Sponsor changes or transfers must be sent to LFC in writing on the specified form.

All members agree that the decision to allow or disallow a transfer of Enrollment or Placement Sponsorship, whether the required approvals have been obtained, will be at LFC's sole discretion.

21A. New Enrollee Placement Change

An Enrollment Sponsor will have three full calendar months from the new member's registration date to place this first level member on a lower level in the Enrollment Sponsor's downline organization. The same three calendar month time period applies for customer placement changes. For example: If a new member or customer joined on January 15th, the Enroller would have until the last day of April to place that new member or customer anywhere in their downline. The placement change of a new member may only occur one time. Multiple moves of a membership will not be permitted.

Any downline that the new member has generated during the initial three calendar month period, and up until the change is made in the genealogy, will be moved with them in the event of a placement change.

Enrollment sponsorship may also be permanently transferred to the new Placement Sponsor during the initial three-month period. This is optional and must occur at the time of Placement Sponsor change. After the initial three full calendar month period, enrollment sponsorship cannot be transferred. However, in the event that a member or customer's Enrollment Sponsor resigns or terminates, Enrollment Sponsorship will be transferred to the resigning member's Enroller.

The placement change request must be submitted on the New Enrollee Placement Change Form, and must include the

Enrollment Sponsor's signature. The placement change form must be received by LFC no later than midnight on the last day of the third full calendar month from the new enrollee's date of registration.

All Placement or Enroller changes will occur between the 10th and the 22nd of the month. Placement change forms received before the 22nd of the month will have the placement change occur in that same month. Placement changes received after the 22nd will be processed the following month.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

21B. Platinum and Above Bi-Annual Placement Change

The Enrollment Sponsor of the member to be transferred must be a Platinum or above in the month prior to requesting the change. Both the new Placement Sponsor of the transferred member and the Enrollment Sponsor must be on a minimum of 100 BV Autoship.

The Enrollment Sponsor may place a member along with his/her downline on a lower level in the Enrollment Sponsor's downline organization. This move can only be made if the organization to be moved has no more than 9,999BV within six levels of uncompressed volume for the month previous to when the change will be processed. In addition, the new Placement Sponsor's organization must have a greater total group volume than the organization being moved under him/her. Organizations with greater than 9,999BV within 6 levels uncompressed volume for the month prior will not be permitted to move. Only one of these moves will be allowed in any 6-month period.

The placement change must be submitted on the Bi-Annual Placement Change Form and must include the notarized signatures of the current six direct upline members, the Enrollment Sponsor submitting the request, and the transferring member

Any annual placement changes will be made between the 10th and 22nd of the month.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

21C. Changes in Upline Placement Sponsor

An individual member may request to change their Placement Sponsor at any time. Upon approval by LFC, the member requesting an upline placement sponsor change will receive a new LFC Identification Number. The member's existing downline organization will roll up to the immediate previous sponsor, and the enrollment sponsorship of any members who had been previously enrolled by the transferring member will be transferred to the resigning member's Enroller.

The upline placement change must be submitted on the Upline Placement Change Form and must include the notarized signatures of the Enrollment Sponsor and the current six direct upline members.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

21D. Upgraded Member Placement Change

Customers may elect to change their status and become a member at any time during the calendar month. Should a customer choose to upgrade to be a member, the Enrollment Sponsor will have three full calendar months to place this member on a lower level in the current Placement Sponsor's downline organization.

Any downline that the newly upgraded member has generated during the initial three calendar month period from the time they upgraded, and up until the change is made in the genealogy, will be moved with them in the event of a placement change. If this newly upgraded member has not yet established a downline, the Enrollment Sponsor may elect to move this member anywhere in their downline organization.

The placement change request must be submitted on the Upgraded Member Placement Change Form, and must include the Enrollment Sponsor's signature. In addition, if the enrollment sponsor requesting the placement change is not the current Placement Sponsor, then the notarized signature of the current Placement Sponsor is also required to complete the request.

Refer to the Sponsor Change Processing Deadline and Notary Policy below for additional details.

22. Sponsor Change Processing Deadline

Transfer requests will be accepted at all times, however changes will only occur between the 10th and 22nd of any calendar month. Any changes received after the 22nd of any calendar month will be effective for the following month. All members agree that the decision to allow or disallow a transfer of sponsorship, and whether the required approvals have been obtained, will be at LFC's sole discretion.

If a signature or required notary stamp is missing when LFC receives the documents, the deadline of the 22nd will not be extended. The corrected form will be reviewed for the following month. Any changes that have not been received in complete form will be sent back to the Enrollment Sponsor listed on the form.

23. Upline Sponsor Signature Policy

If an Enrollment Sponsor, after a reasonable amount of time (or "a reasonable attempt"), cannot obtain one of the six direct upline notarized signatures required for Platinum and Above Bi-Annual Placement Change (Policy 20B) or a Change in Upline Placement Sponsor (Policy 20C), the following steps shall be taken:

- a. LFC will send a certified letter to the unresponsive upline sponsor requesting his/her response to the Placement Change request within ten business days from the day of receipt.
- b. If no response is received by LFC within ten business days, LFC will allow the notarized signature of the next upline sponsor in the upline signature tree (above six levels) to replace the unresponsive upline sponsor's signature for that move.
- c. LFC will send a second certified letter to the unresponsive upline sponsor regarding future notarized requests for Placement Changes. If no response is received by LFC within 30 days, the upline sponsor will be permanently removed from the upline signature tree and their signature would not be required for any future placement change requests that require the six direct upline signatures.

Any member found promoting any other referral marketing, network marketing, or direct sales business constitutes

voluntary resignation and cancellation of their right to withhold their notarized signature on a Platinum and Above Bi-Annual Placement Change or a Change in Upline Placement Sponsor request.

24. Notary Policy

If a notary has any connection or interest in a change being processed that requires notarized signatures, he or she may not be the notary used for the required signatures. The signing member must commission a notary in the same province that the documents are signed and notarized. In addition, each notarized signature must be stamped and dated the day it is witnessed.

Bonus & Compensation Policies

25. Bonus Qualifications

Members must meet published personal retail sales requirements as well as supervisory responsibilities, to qualify for bonuses, advancements or incentives. These requirements are detailed in approved LFC literature and apply to each bonus period.

All bonus errors must be reported within 60 days for review. LFC will not be responsible for any errors or omissions reported after 60 days.

26. Cheques and Business Management System

Bonus cheques are mailed by LFC to members on the 10th day of each month for bonuses earned during the previous month. When the 10th day of the month falls on a weekend or national holiday, cheques will be mailed on the next business day. Any cheques for \$5.00 or less will be held and added to the next month's cheque.

The bank will not honor bonus cheques that have not been cashed for more than 90 days. Members who are in possession of expired bonus cheques will be issued a replacement cheque upon receipt by LFC of a written request from the member to whom the original cheque was issued. The original cheque must accompany the replacement request. Lost cheques require a \$15 stop payment and reissue fee.

A Business Management System (BMS) will be printed for members receiving a bonus cheque. The BMS will show the calculation of a member's bonus in detail. Members should use their BMS as a tool to manage, supervise and train the members of their MARKETING ORGANIZATION.

For members paid as an associate three through silver, a printed version accompanies the bonus cheque, and a small monthly fee is deducted from the cheque. This fee is calculated at \$4 USD for the first five pages, plus \$0.07 USD for each additional page of the cheque recap statement. For members paid as Gold and above, an online version is provided for viewing anytime during the month, and a small monthly fee is debited from the account. If a member wishes to discontinue the online BMS and revert to the paper BMS accompanying their commission cheque, the member may contact the customer service department to do so.

Purchasing & Ordering Policies

27. Sales Taxes

In Canada the LFC uses the Alternative Collection Method, collecting GST, HST and PST at the time of purchase by the member, on the Suggested Retail Price of the product. LFC is then responsible for remitting the PST and GST to the

member's respective governmental agency. This alleviates the necessity for members to register for PST and GST numbers in their own right. The member recoups the prepaid GST and PST from the retail customer at the time of sale. If the member ultimately sells to a bona fide tax-exempt organization or a tax-exempt purchaser, he/she must apply to Revenue Canada directly for any GST refund. For PST, if there are any exemptions or rate differentials unique to a particular order, the member who purchased the products may submit a claim for refund to the LFC on the tax-exempt Sale Refund Claim Form (contact the corporate office to have the form faxed out), along with the sales receipt pertaining to the transaction for which he/she is requesting a refund. The refund should be remitted within ten (10) days of the day of receipt. Alternatively, for sales that are completely exempt from sales tax (i.e. church, non-profit organizations, etc.), the purchasing member may submit the Tax Exempt Sale Refund Claim Form and supporting documentation, including a sales receipt pertaining to the transaction for which he/she is requesting a refund at the same time as the order.

28. Ordering Product

Using their Identification Number, members or customers may purchase products directly from LFC. We encourage members to order early in the month. All orders are credited to the calendar month in which they are received by LFC. Orders may be placed by telephone, mail, email, website, or fax. Orders may be paid in cash, money order, Visa, MasterCard or American Express. When paying by credit card, please include the card number and expiration date.

www.lifeforce.net (enter under Canadian flag)

Email an order to canada@lifeforce.net

Fax an order to: 1-250-860-6917

Telephone an order to: 1-800-860-0288 (Orders only)

Member Services: 250-860-6517

29. Automatic Orders

When members and customers choose to have their products automatically shipped to them on the day of the month they specify, the members, the customers and LFC all save money. Both members and customers purchase products at low factory-direct prices from the company. Automatic order members and customers, however, enjoy an additional discount. We are able to offer this discount due to the improved efficiency automatic shipments promote. Furthermore, autoship members and customers are free to place additional orders and enjoy the same low autoship prices.

Autoship – The products a member/customer designates will be automatically processed each month on the day they specify, regardless of any other orders they have placed during the month. The member/customer can change the order up to five business days prior to the processing date.

When the processing date of an automatic order falls on a weekend or holiday, the order will be processed the previous business day. To sign up for Autoship, simply call Customer Services at (800) 860-0288 or fill out the appropriate form and fax it to (250) 860-6917. Member Services will gladly help place the first Autoship order and establish a processing date.

Automatic orders may be paid by bank draft, Visa, MasterCard or American Express.

30. Autoship Cancellations

Automatic order cancellations must be received by LFC via phone, mail, email or fax at least five business days prior to the processing date. If an autoship package is returned or refused, the automatic order may be cancelled and the membership may be subject to the disciplinary measures listed in policy 57. The terminated member may not reapply for membership for three calendar months following the month in which the termination occurred.

31. Inventory Loading and the 70% Rule

As an LFC member, primary emphasis should be placed on product sales and distribution to end-users. Members may purchase products for personal consumption and such sales are recognized as retail sales for end-user consumption. However, the company does not require its members to maintain an inventory and acts as a fulfillment house by servicing customers who purchase factory direct.

The company expressly prohibits purchases of products solely for bonus qualification. Any member found to be promoting inventory loading may be subject to the disciplinary actions listed in policy 57. LFC reserves the right to verify that inventory loading is not being practiced by randomly sampling those members receiving bonus cheques. Members must certify that over 70% of previously purchased company products have been sold or consumed before further products can be ordered.

32. Returned Remittances and Delinquent Payments

Returned and rejected payments constitute a breach of the agreement, and a service fee will be charged. It is strictly a customer or member's responsibility to keep their method of payment current. Expired credit cards, returned or insufficiently funded debit accounts may result in a loss of earnings. Orders will not be shipped and sales volume will not count if payment has not been collected.

In the case of automatic orders, if payments are declined three consecutive months, the automatic order will be permanently cancelled.

33. Unauthorized Purchases

Any sponsor who registers a new customer or member without their authorization and then places an initial or automatic order for the new person without their permission, will be responsible for the purchase, all shipping and handling fees, and a 10% administration fee. Offenders are also subject to the disciplinary measures listed in policy 57.

34. Back Orders

If an item ordered is temporarily out of stock, the packing order will have the notation "Back Ordered" under the product description. Once the product is available, it will be shipped priority at no additional charge. Back ordered products are paid for when ordered. BONUS VOLUME is accrued for the bonus period in which the order was placed.

35. Order Errors

Members should notify LFC immediately using Shipping Discrepancy Form 1057 of any errors or questions about orders or charges. All packages are accurately weighed and contents are recorded. However, in the unlikely event an item is missing from a package, contact the company within five business days of receipt, otherwise, it will be assumed that the complete order was received.

LFC will correct any charge errors that are reported within 60 days, but LFC will not be responsible for any errors, omissions or problems not reported within 60 days.

36. Shipping

Orders received and processed prior to 2:00 p.m. (PT) Monday to Friday should normally be shipped the same day. Orders received and processed after 2:00 p.m. (PT), on weekends, or on holidays should be shipped the next business day. The Canada Post will deliver your package within 5-7 business days. Please add a few extra days for smaller rural communities.

37. Postage Charges and Options

LFC has no minimum order restrictions. All orders are shipped via Canada Post under contract with LFC and these charges are passed on to the end consumer.

38. Will Call Orders

Will Call orders are available at the Life Force distribution facility. Will call hours are 10:00 a.m. to 4:30 p.m., (PST), Mon- Fri. For optimal service when paying by credit card, it is highly recommended will call orders be placed over the phone at least 48 hours prior to being picked up. Products paid by cash or money order must be placed at the will call desk.

39. Customer Product Guarantee

If a customer cancels an order placed directly with LFC within 10 days of purchase, LFC will refund 100% of the purchase price, including shipping and handling fees and tax (if applicable). LFC will process these refunds within ten days of receipt of the product.

If after purchasing a LFC product and using it for a reasonable amount of time you are not completely satisfied, simply contact the customer service department and one of LFC's representatives will assist you with a 100% refund or replacement, less shipping and handling, when goods are returned either used or unused and postmarked within 45 days of purchase. Once received by LFC, refunds will be issued within 30 days of receipt by the shipping department. Returns exceeding 45 days of purchase will not be honored, whether the product is sealed or opened. Return shipping fees are the responsibility of the customer. Proof of purchase (invoice, copy of invoice, or invoice number) is required for all refund or replacements.

To maintain BV statistics, LFC will not process returns on the last working day of the month, but will instead process these returns on the first working day of the next month.

40. Member Product Guarantee

If a member cancels an order placed directly with LFC within 10 days of purchase, LFC will refund 100% of the purchase price, including shipping and handling fees and tax (if applicable). LFC will process these refunds within ten days of receipt of the product.

After the ten days, the member shall receive a 100% refund or replacement, less shipping and handling, when goods are returned either used or unused and postmarked within 45 days of purchase. Return shipping fees are the responsibility of the member. Proof of purchase (invoice, copy of invoice, or invoice number) is required for all refund or replacements.

LFC will honor refund policies provided by the provincial law applicable to the member. LFC will clawback all bonuses and incentives paid to members relating to the purchase of the products being returned. Any refund requests may cancel the Independent Member Agreement at the option of LFC. However, in the following instances: 1) A member makes three returns for refunds in a rolling 12-month period; or 2) A member returns over \$300 worth of merchandise at any given

time; LFC will interpret these actions as the member voluntarily resigning their membership.

To maintain BV statistics, LFC will not process returns on the last working day of the month, but will instead process these returns on the first working day of the next month.

41. Customer Purchase from Member

When a customer makes a purchase from a member, the customer shall return the product to the member within 30 days for a 100% refund, exchange, or replacement. Members are required to honor the retail customer refund according to the policy stated on the reverse side of the Customer Retail Receipt in a prompt and courteous manner. Failure to do so is a serious violation of company policy, and may result in disciplinary measures listed in policy 57.

Advertising & Marketing Policies

42. Product Display & Retail

LFC strongly supports home-based businesses and personal product presentations. To maintain a standard of fairness, members may not stock or sell LFC products at retail establishments. Retail establishments are defined as businesses that are available for open entry by the general public and the primary function is the retail sale of products.

Examples of these would include health food stores, pharmacies, grocery stores and supermarkets, kiosks, chain/franchise stores, flea markets, swap meets and malls. Owners of retail establishments may be sponsored in to LFC, but are required to conduct their business outside of the establishment. A small promotional display of literature with the sponsor's information is allowed with an empty container of product at the sales counter.

LFC further prohibits the retail sale of products through any online retailer or auction sites, including, but not limited to currently operating commercial auction sites. This policy is necessary to protect the integrity of the company and its products and is not intended to harm the member in any manner.

Members who have service-oriented offices will be allowed to display and sell products within their place of business. A service-oriented establishment is defined as a business where entry by the general public would require a membership or appointment and its primary function is the sale of professional services.

Examples of these would include doctor's offices, chiropractors and other health professionals, health clubs/gyms, barbers, salons/spas, nail shops, or counseling centers.

Exterior signs or window displays will not be allowed at any location.

43. Restaurants/Coffee Houses/ Juice Bars

LFC will permit establishments such as restaurants, coffee houses, and juice bars to add LFC products to the foods and beverages produced by the establishment. However, retail sales of LFC product individually would still not be permitted per policy 41.

A small promotional display of literature with the sponsor's contact information along with an empty container of product at the sales counter will be permitted.

44. Resale Product Pricing

Members are free to resell LFC products to customers at current market prices at their own discretion. However, at no time shall a member be permitted to sell or market the sale of LFC products at any price below the Company "factory-direct prices." Factory-direct prices shall be defined as those prices regularly available from the Company, excluding Auto-ship pricing.

Violation of these policies may result in disciplinary measures listed in policy 57.

45. Reproduction of LFC & LFI Materials

The reproduction of any current or previously LFC or LFI published material is not permitted without the written consent from LFC or LFI.

46. Trademark, Service Mark and Trade Name Restrictions

Members may not in their independent marketing material use, reproduce or disseminate LFC's corporate logos, registered trademarks or service marks except in the use and dissemination of literature or other published items, made available by LFC. This applies to all trademarks or service marks designating products or services offered by LFC and LFI. Members are allowed to use LFC's trade names and product names when describing or discussing LFC, the business opportunity and LFC's products in their sales aids. This may include, but is not limited to, the acronyms "LFC" or "LFI"; the terms "Life Force", "Life Force Canada", "Life Force Nutri-Blends Canada Inc" or "Life Force® International" and any LFC or LFI product names. However, a website domain name or email address created by an independent member may not contain any of LFC's or LFI's trade names and/or product names.

Examples of these would include:

support@lifeforcesupport.net www.osteoprocurehealth.com
info@LFIteam.net

Members may use the "Independent Member" logo developed by LFC on business cards, letterheads, envelopes or any other advertising (see policy 47) and may not be combined with any non-LFC products or services.

47. Unsolicited Fax and Phone Blasts

Soliciting anyone for products sales, business opportunities, or other marketing ventures by fax or phone blasts without their prior consent or request is prohibited. Violation of this policy may result in disciplinary measures detailed in policy 57.

48. Restrictions on Advertising

Members who create, publish, or distribute any literature, audio or video tapes, telephone ads/messages, radio or television ads, materials or merchandise representing LFC, its products, services, compensation plan or business opportunity, other than that which is provided by LFC, or that which contains only information that is set forth in the current marketing materials of LFC, take full responsibility for the content of such advertising and are expected to stay abreast to current guidelines to help ensure their material is within compliance. LFC is not responsible or liable for marketing materials members create outside of corporate sanctions.

Each promotional item independently created by an LFC member that promotes LFC, its products, services or compensation plan must be truthful, substantiated and not

misleading. In addition, the following disclaimers must be present at the end of a member's marketing piece: "Distribution within the Canadian market only" and "This [Insert type of advertising] was prepared by an Independent Life Force International member." For those members who create an independent website, these statements must be present on every page of the site. The abovementioned statements must appear in a manner that is both clear and conspicuous to the reader. If a member chooses to make a product structure/function claim in their advertising, the only structure/function claims authorized for use are the ones pre-approved by LFC as detailed in the Member Marketing Guidelines. A structure/function claim is defined a claim that describes the role of a nutrient or dietary supplement that affects the normal structure, function or general well-being of a person .

LFC strongly encourages members to use corporate sanctioned materials. LFC is available to provide assistance to members who have questions about marketing policies in relation to creating their material. However, LFC cannot provide an official review or approval code for any independently created marketing material, including websites. Marketing Guidelines are provided on the corporate website to assist members in ensuring independent materials are within compliance.

Violation of this policy could cause misrepresentations or other legal improprieties in the display, advertisement, or promotion of LFC products, services or marketing plan, which could be injurious to LFC's image, reputation, and standing with various regulatory agencies. A member who creates and uses promotional materials outside of compliance and company guidelines will be held personally liable and will be subject to the disciplinary measures listed in policy 57.

49. Independent Member Website Policy

Life Force members may create websites that promote LFC, its products, services or compensation plan, however must meet the requirements set forth in policy 47. In addition to the requirements detailed in policy 47, member websites that have any testimonials, product structure/function claims or general statements pertaining to LFC products/product ingredients must be a minimum of two web page clicks away from where the products can be purchased. The clicks cannot contain additional testimonials, claims or comments about LFC products and/or product ingredients. Refer to the Member Marketing Guidelines for further details. For optimum security, Life Force International encourages members who take product orders to provide a redirect link to either the LFC corporate website or a member's self replicating site provided by LFC as an alternative to keeping payment records in unspecified locations. Life Force International is aware that many LFC members sell and promote products and business opportunities aside from LFC. In order to maintain the LFC level of excellence and product integrity, all Life Force members web sites shall be solely limited to promoting and selling Life Force products. No competitive products and services may be included or linked to the member's web site. Violation of these policies may result in disciplinary measures listed in policy 57.

49A. Spamming

Spam is defined as an unsolicited email or electronic message, often of a commercial nature that is sent indiscriminately to multiple mailing lists, individuals, or newsgroups. Spamming to Internet users is prohibited. Violation of these policies may result in disciplinary measures listed in policy 57.

49B. Free Product Giveaways

In order to maintain a standard of fairness to all our Members, we must limit the number of bottles of product that can be given free with a purchase. For all print media and websites, one (1) bottle of the product of your choice may be given away free for every eight (8) bottles of products purchased. This is capped at a maximum of one (1) free bottle of product given away free per eight (8) bottle order. No more than one (1) bottle of free product can be given away per order, regardless if more than the minimum of eight (8) bottles is being purchased. Any order less than eight (8) bottles purchased, is not eligible for a free product giveaway.

49C. Free Shipping Offers

Free shipping can only be offered on first time orders, with the commitment of autoshipment. Offers cannot be combined. Either a free product may be given away (see policy 48b above) or free shipping may be offered. This can only be offered on the first order and cannot be ongoing.

50. Lead Generation and Downline Building Services

Members should carefully consider whether to organize or participate in lead generation campaigns or downline building organizations. LFC does not endorse or guarantee success in such programs. In addition, all lead generation and other related downline building services are prohibited from being displayed, linked or used in a member's independent website.

51. Trade Shows and Fairs

LFC members are allowed to display and sale LFC product at venues such as trade shows and fairs. It is expected of the member to conduct him/herself in a fair, honest, reputable manner and follow all of the company's advertising and marketing guidelines. The advertising, distribution or marketing of products or services not related to LFC will not be permitted at the same table or booth with LFC's materials. In addition, the display table or booth used must be clearly represented as an independent member's presentation, not as an LFC corporate-sponsored one.

52. Radio & Television Advertising

When participating in radio or television advertising, in addition to adhering to the advertising guidelines set forth in policy 47, it must follow a pre-approved script. There cannot be a question and answer session or any similar format where non-approved information can be relayed. Likewise, if a member receives any inquiries from the media pertaining to LFC's products, compensation plan or services, that member must refer the media representative to the LFC corporate office (see policies 4 and 53).

For a radio or television ad, the following statement would need to be stated on the advertisement "This advertisement has been paid and produced by (name), Life Force Independent Member." Members are expected to following the marketing guidelines as to what can and cannot be said about LFC products and/or business opportunity.

53. Member Telephone Message

When members create a phone message for their LFC business prospects, they are required to clearly state that they are an independent distributor/member of LFC. This is necessary to ensure that the caller is aware that they are speaking to an individual member and not the corporate office.

Examples of this would include: "You have reached the voicemail of (your name), Independent Life Force member."

or “Thank you for calling Life Force Independent Member (your name).”

54. Telephone Yellow/White Page Listing

If a member chooses to post a listing for the yellow or white pages, their listing would need to be listed under one of the following sections: health supplements/foods, food supplies, holistic/alternative health, nutrition, herbs, fitness or beauty. The only information that would be allowed to appear would be the member’s name, LFC identification (ID) Number, “Life Force Independent Member”, and a contact phone number. The use of any images, including the independent member logo would not be permitted for use in this sort of advertising.

Example: Mary Smith
Life Force Independent Member
ID#123456
(xxx) xxx-xxxx

Miscellaneous Policies

55. Media Inquiries

It is LFC’s policy to have a single spokesperson handle all corporate inquiries from the media and all media relations. Therefore, members may not for any reason, act as the legal representative or LFC spokesperson if approached by the media regarding LFC, its compensation plan, its products or services (see policy 4). It is in violation of this policy for a member to represent him/herself as such, regardless of whether the information is positive or negative, accurate or inaccurate. All inquiries members receive from the media (whether radio, television or print) must be referred to LFC.

56. Member/Employee Relations

Company employees are trained to be courteous and professional in all contact with the public. Should a member ever receive less than this from company personnel, they should document the situation and forward it to an executive staff member for immediate review.

Members are expected to extend these same courtesies when dealing with corporate office staff, via telephone, internet or in person. Company employees are not required to endure any abuse. Whenever they feel this is occurring, they are to turn the call over to a supervisor. If this is not possible they are to politely end the conversation and document the incident. This documentation will also be forwarded to company executives for review. In severe circumstances offending members may be subject to the disciplinary measures listed in policy 57.

57. Compliance Claim and Investigation Procedure

The responsibility and duty of the LFC compliance department is to make sure all inquiries, investigations, and grievances related to the policies and procedures are handled in a fair and objective matter without prejudice to any party. Because of this, the compliance department must act on claims that can be substantiated with proof of the alleged violation in question. LFC will not tolerate or condone members participating in filing untrue claims for any reason. Reports of alleged policy violations or questions must be submitted in writing to the attention of the compliance department. Upon receipt of such items, the compliance department will conduct all necessary research and follow through with all parties accordingly.

58. Disciplinary Measures

All of the policies in this Statement of Policies, which constitutes the Independent Member Agreement, and any other agreements entered into by and between LFC and the members are material terms to the agreement between LFC and the members. Any violation of the terms and conditions entered into by and between LFC and the members or the Statement of Policies or any illegal, fraudulent, deceptive or unethical business conduct by a member may result, at LFC’s discretion, in one or more of the following corrective measures:

- a. Issuance of a written warning;
- b. Imposition of a fine to be withheld from future commission cheques;
- c. Suspension or termination of current and future commission cheques;
- d. Reassignment of all or part of their marketing organization;
- e. Suspension of their independent member agreement;
- f. Termination of their independent member agreement;
- g. Any other measure expressly stated within the policies set forth in the Statement of Policies.

Should a member be terminated for cause, any rollups will be at the sole discretion of LFC. Should a terminated member wish to re-apply for membership, approval from a senior Executive will be required.

59. Indemnity

Each member shall hold the company harmless for any claims, damages, or liabilities arising from the member’s misrepresentation, negligence or failure to follow these policies and procedures.

60. Statutory Precedence

LFC’s Statement of Policies is subject to the prevailing laws governing our industry. These laws take precedence over any item included herein.

61. Program Modifications

In order to maintain a viable business and to comply with governing laws and economic conditions, LFC has the sole right and discretion to modify its compensation plan, product line, pricing or policies without notice. Such modifications shall be immediate.

62. Social Networking Sites

If a Life Force Member or Customer belongs to a social networking site, i.e. Facebook, My Space, Twitter, etc. they must represent themselves as an Independent Member of Life Force International to avoid confusion with the corporate account. For example, the account name would need to read “Life Force International Independent Member, or “Independent Member, Life Force International.

GLOSSARY OF TERMS

ID NUMBER – The computer-generated number used by LFC to establish a genealogy, track sponsoring efforts, purchased products and generates bonus payments.

HOUSEHOLD – Lifetime partners, immediate family (parents, children, or spouse) or dependents residing at the same address.

REFERRAL MARKETING – A method of marketing whereby members refer customers and other members they enroll directly to LFC for product purchases. Both members and customers enjoy the same factory-direct pricing, but only members are compensated for promoting LFC and for building a marketing organization

BUSINESS VOLUME – The volume assigned to product purchases used to calculate bonuses and award incentives.
BONUS RECAP STATEMENT– The accounting record LFC prepares monthly that tracks purchase activities for a marketing organization.

MARKETING ORGANIZATION – All levels of individuals and business entities for which LFC provides compensation.

ENROLLMENT SPONSOR – A member of LFC who personally enrolls other individuals as a member or customer.
PLACEMENT SPONSOR – A member or customer's immediate upline.

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