

FuXion, LLC POLICIES and PROCEDURES

Effective 4/1/2014

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CODE OF ETHICS

FuXion, LLC (“FuXion” or the “Company”) is a values based company that prides itself on the quality and character of its Distributors. The following guidelines help insure a uniform standard of excellence throughout our organization. Every FuXion Distributor is expected to practice the following ethical behavior when acting in the name of the Company:

- a) I will be respectful of every person I meet while doing FuXion related business.
- b) At all times I will conduct myself and my business in an ethical, moral, legal and financially sound manner. I will not engage in activities that would bring disrepute to FuXion, any FuXion corporate officer or employee, myself, or other Distributors.
- c) I will not make discouraging or disparaging claims directed toward other FuXion Distributors. I will ensure that in all FuXion business dealings that I refrain from engaging in negative language. I will refrain from using any type of slanderous statements, implications or assumptions.
- d) I will be truthful in my representation of FuXion products by making no diagnostic, therapeutic, curative or exaggerated claims and by clearly stating all terms of sale. I understand any claim of cure or treatment is strictly forbidden.
- e) I will provide support and encouragement to my Retail Customers to ensure that their experience with FuXion is a successful one. I understand that it is important to provide follow-up service and support to my Marketing Organization.
- f) I will correctly represent the FuXion Compensation Plan and the income potential represented therein. I understand I may not use my own income as an indication of other’s potential success or use compensation checks as marketing materials.
- g) I will abide by these FuXion Policies and Procedures, as amended from time to time (the “Policies and Procedures”).

SECTION 1 – INTRODUCTION

These Policies and Procedures are effective as of the date first displayed above and govern the way a FuXion Distributor conducts business with the Company, other Distributors, and with his or her customers. They replace and succeed all previous versions. Definitions of terms used in these Policies and Procedures are found at Section 11. Any interpretation, clarification, exclusion, or exception to these Policies and Procedures, in order to be effective, must be in writing and signed by an authorized officer of the Company. The Company endeavors to enforce the Policies and Procedures on a uniform and nondiscriminatory basis. However, any failure to enforce any of the provisions of the Policies and Procedures with one Distributor does not waive the Company’s right to enforce any such provision(s) with that same Distributor or any other Distributor.

SECTION 2 - BECOMING A DISTRIBUTOR

2.1 - Requirements to Become a Distributor

To become a FuXion Distributor, each applicant must:

- Be of legal age in his or her state of residence;
- Reside in the United States or U.S. Territories or country that FuXion has officially announced in writing is open for business;

- Have a valid Social Security or Federal Tax ID number;
- Purchase a FuXion Enrollment Kit (optional in North Dakota); and
- Submit a properly completed Distributor Application and Agreement (the “Distributor Agreement”) to FuXion either in hard copy or online format. (Note that the preferred and absolute easiest way of registering as a new Distributor is through the Sponsor’s FuXion Virtual Office.)

A Distributor must submit an IRS form W-9 to the Company upon request. Note that a Distributor cannot receive commissions unless the Company received the Distributor’s Social Security Number or Federal Tax ID Number.

2.2 - No Product Purchase Required

Unless otherwise prohibited by law, the only purchases required to obtain and maintain a FuXion Distributorship are the Enrollment Kit and the annual renewal fee. Product purchases are not required. FuXion will repurchase resalable Enrollment Kits from any Distributor who terminates his or her Distributor Agreement pursuant to the terms of Section 7.4.

2.3 - Distributor Benefits

Once a Distributor Agreement has been accepted by FuXion, the benefits of the Compensation Plan, Policies and Procedures and the Distributor Agreement are available to the new Distributor. These benefits include the right to:

- Sell FuXion products and services;
- Participate in the FuXion Compensation Plan (receive commissions if eligible);
- Sponsor other individuals as Retail Customers or Distributors into the FuXion business thereby, building a Marketing Organization;
- Receive periodic FuXion literature and other FuXion communications;
- Participate in FuXion-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional and incentive contests and programs sponsored by FuXion for its Distributors.

2.4 - Term and Renewal of Your FuXion Business

The term of the Distributor Agreement is one year from the date of its acceptance by FuXion (subject to cancellation pursuant to Section 10). The Distributor Agreement will be automatically renewed each year by paying the annual renewal fee before, on or within 30 days following, the anniversary date of the Distributor Agreement. If the renewal fee is not paid within 30 days after the expiration of the current term of the Distributor Agreement, the Distributor Agreement will be canceled. The purpose of the renewal fee is to support Distributors by providing them with materials and information on the Company’s products, programs, Policies and Procedures, and related information, as well as access to the website Back Office. The renewal fee may be deducted from the Distributor’s bonuses for the anniversary month of his or her Distributor Agreement or, if the Distributor has

accrued insufficient bonuses at such time, charged to the Distributor's credit card or checking account information on file with the Company.

2.5 – Adherence to Policies and Procedures

It is the responsibility of each Distributor to read, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new Distributor, it is the responsibility of the sponsoring Distributor to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the FuXion Compensation Plan prior to his or her execution of the Distributor Agreement. Throughout these Policies and Procedures, when the term "Agreement" is used, it collectively refers to the FuXion Distributor Agreement, these Policies and Procedures, the FuXion Compensation Plan, and the FuXion Business Entity Application (if applicable). These documents are incorporated by reference into the FuXion Distributor Agreement (all in their current form and as amended by FuXion).

2.6 - Photograph and Image Release

By executing the Agreement, each Distributor grants to the Company and its affiliates and agents the absolute, perpetual and worldwide right and license to use, to record, photograph, publish, reproduce, advertise, display, edit, and sell in any manner for all purposes, his or her name, photograph, likeness, voice testimony, biographical information, image and other information related to Distributor's business with the Company (collectively the "Likeness") in marketing, promotional, advertising and training materials, whether in print, radio or television broadcasts (including cable and satellite transmissions) audio and videotapes on the Internet or in other media ("Publicity Materials") for an unlimited number of times, without compensation, in perpetuity. Each Distributor waives any right to inspect or approve any Publicity Materials including or accompanying his or her Likeness. Each Distributor further releases the Company from any liability or obligation that may arise as a result of the use of his or her Likeness, including without limitation, claims for invasion of privacy, infringement of right of publicity and defamation (including libel and slander). A Distributor may withdraw his or her authorization of any use of his or her Likeness that has not already been publicized by providing written notice to the Company. Distributors agree that any information given by a Distributor, including his or her testimonial, is true and accurate. This subsection shall survive the termination of the Agreement.

SECTION 3 - OPERATING A FUXION BUSINESS

3.1 - Adherence to the FuXion Compensation Plan

Distributors must adhere to the terms of the FuXion Compensation Plan as set forth in Official FuXion Materials. Distributors shall not offer the FuXion opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in Official FuXion Materials. Distributors shall not require or encourage other current or prospective Retail Customers or Distributors to execute any agreement or contract other than the Distributor Agreement. Similarly, Distributors shall not require or encourage other current or prospective Retail Customers or Distributors to make any purchase from, or payment to, any individual or other entity to participate in the FuXion Compensation Plan.

3.2 – Distributor Marketing

All Distributors shall safeguard and promote the good reputation of FuXion and its products. The marketing and promotion of FuXion, the FuXion opportunity, the Compensation Plan, and FuXion

products must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and sales practices. Explanation and demonstration of products offered shall be accurate and complete including, but not limited to, with regard to price, terms of payment, refund rights, guarantees, and after-sales services and delivery. Distributors must immediately discontinue a sales presentation upon the request of a Retail Customer. Distributors shall not directly or by implication, denigrate any other company or product. Distributors shall refrain from using comparisons which are likely to mislead and which are incompatible to the principles of fair competition. Distributors shall not abuse the trust of Retail Customers, shall respect the lack of commercial experience of Retail Customers and shall not exploit a Retail Customer's age, illness, lack of understanding or lack of language expertise.

3.3 - Advertising

3.3.1 - General

To promote both the products and services, and the tremendous opportunity FuXion offers, Distributors should use the sales tools and support materials produced by FuXion. The Company has carefully designed its products, product labels, Compensation Plan, and promotional materials to help ensure that they are promoted in fair, truthful manner, that they are substantiated, and the material complies with the legal requirements of federal and state laws. Accordingly, Distributors must submit all sales tools, promotional materials, advertisements, and other literature not produced by the Company to the Company for its written approval prior to use. Unless the Distributor receives specific written approval to use such tools, the request shall be deemed denied.

Distributors who receive authorization from FuXion to produce their own sales aids may not sell such material to any other FuXion Distributor. Distributors may make approved material available to other Distributors free of charge if they wish, but may not charge other FuXion Distributors for the materials. FuXion further reserves the right to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and Distributors waive all claims for damages or remuneration arising from or relating to such rescission.

3.3.2 - Distributor Web Sites

If a Distributor desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company's replicated website program only. These websites are available to Distributors on a subscription basis for a monthly fee. This program permits Distributors to advertise on the Internet and to choose from among a variety of home page designs that can be personalized with the Distributor's message and the Distributor's contact information. These websites seamlessly link directly to the official FuXion website giving the Distributor a professional and Company-approved presence on the Internet. No Distributor may independently design a website that uses the names, logos, or product descriptions of FuXion or otherwise promotes (directly or indirectly) FuXion products or the FuXion opportunity without the Company's prior written consent. Nor may a Distributor use "blind" ads on the Internet that make product or income claims which are ultimately associated with FuXion products, the FuXion opportunity, or the FuXion Compensation Plan. The use of any other Internet website or web page (including without limitation auction sites such as eBay) to in any way promote the sale of FuXion products, the FuXion opportunity, or the Compensation Plan is a breach of the Agreement and may result in any of the disciplinary sanctions set forth in Section 8.1.

3.3.3 - Domain Names

Distributors may not use or attempt to register any of FuXion trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name without the Company's prior written consent.

3.3.4 - Trademarks and Copyrights

FuXion will not allow the use of its trade names, trademarks, service marks, designs, symbols, or copyrighted materials (collectively, the "Proprietary Marks") by Distributors, except as expressly set forth in the Agreement. As such, these Proprietary Marks are of great value to FuXion and are supplied to Distributors for their use only as expressly authorized in this Agreement. Any right to use the Company's Proprietary Marks by a Distributor is non-exclusive, and that the Company has the right and sole discretion to grant others the right to use such Proprietary Marks. Any and all goodwill associated with the Proprietary Marks (including goodwill arising from Distributor's use) inures directly and exclusively to the benefit of the Company and is the property of the Company. On expiration or termination of this Agreement, no monetary amount shall be attributable to any goodwill associated with any Distributor's use of the Proprietary Marks. Use of FuXion name on any item not produced by the Company is prohibited except as follows:

Distributor's Name

Independent FuXion Distributor

Distributors may not produce for sale or distribution any recorded Company events and speeches without written permission from FuXion, nor may Distributors reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

3.3.5 - Media and Media Inquiries

Distributors must not attempt to respond to media inquiries regarding FuXion, its products or services, or their independent FuXion business. All inquiries by any type of media must be immediately referred to customerservice@fuxion.net. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

3.3.6 - Unsolicited Email

FuXion does not permit Distributors to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by a Distributor that promotes FuXion, the FuXion opportunity, or FuXion products and services must comply with applicable law and include the following:

- There must be a functioning return email address to the sender;
- There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice);
- The email must include the Distributor's physical mailing address;
- The email must clearly and conspicuously disclose that the message is an advertisement or solicitation;

- The use of deceptive subject lines and/or false header information is prohibited;
- All opt-out requests, whether received by email or regular mail, must be honored; and
- All other applicable laws.

If a Distributor receives an opt-out request from a recipient of an email, the Distributor must forward the opt-out request to the Company.

FuXion may periodically send commercial emails on behalf of Distributors. By entering into the Distributor Agreement, Distributor agrees that the Company may send such emails and that the Distributor's physical and email addresses will be included in such emails as outlined above. Distributors shall honor opt-out requests generated as a result of such emails sent by the Company.

3.3.7 - Unsolicited Faxes/Automatic Dialing Systems

Except as provided in this Section, Distributors may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their FuXion businesses. All faxes must be sent and automatic dialing systems used in accordance with applicable laws. The term "automatic telephone dialing system" includes, but is not limited to, equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) dial such numbers. The term "unsolicited faxes" includes, but is not limited to, the transmission via telephone facsimile of any material or information advertising or promoting FuXion, its products, its Compensation Plan or any other aspect of the Company which is transmitted to any person, except that these terms may not include a fax or e-mail: (i) to any person with that person's prior express invitation or permission; or (ii) to any person with whom the Distributor has an established business or personal relationship. The term "established business or personal relationship" includes, but is not limited to, a prior or existing relationship formed by a voluntary two way communication between a Distributor and a person, on the basis of: (A) an inquiry, application, purchase or transaction by the person regarding products offered by such Distributor; or (B) a personal or familial relationship, which relationship has not been previously terminated by either party.

3.3.8 - Telephone Book Listings

Distributors may list themselves as an "Independent FuXion Distributor" in the white or yellow pages of the telephone directory under their own name. No Distributor may place telephone directory display ads using FuXion names or logos. Distributors may not answer the telephone by saying "FuXion", "FuXion Incorporated", or in any other manner that would lead the caller to believe that he or she has reached corporate offices of FuXion.

3.4 - Business Entities

A corporation, limited liability company, partnership or trust (a "Business Entity") may apply to be a FuXion Distributor by submitting a Distributor Agreement along with a properly completed Business Entity Registration Agreement and a properly completed IRS form W-9. The Business Entity Registration Agreement must be signed by all of the shareholders, members, partners, trustees, or other parties with any ownership or equity interest in, or management responsibilities for, the Business Entity (collectively "Affiliated Parties"). The Business Entity, as well as all Affiliated Parties are individually, jointly and severally liable for any indebtedness to FuXion, compliance with

the FuXion Policies and Procedures, the FuXion Distributor Agreement, and other obligations to FuXion.

To prevent the circumvention of Sections 3.26 (regarding transfers and assignments of a FuXion business) and Section 3.5, (regarding Sponsor changes), if any Affiliated Party wants to terminate his or her relationship with the Business Entity or FuXion, the Affiliated Party must notify FuXion in writing that he or she has terminated his/her affiliation with the Business Entity, and must comply with the provisions of Section 3.26. In addition, Affiliated Party foregoing his or her interest in the Business Entity may not participate in any other FuXion business for six consecutive calendar months in accordance with Section 3.5.3. If the Business Entity wishes to bring on any new Affiliated Party, it must adhere to the requirements of Section 3.26.

There is a \$100.00 fee for each change requested, which must be included with the written request and the completed Distributor Agreement. FuXion may, at its discretion, require notarized documents before implementing any changes to a FuXion business. Please allow 30 days after the receipt of the request by FuXion for processing. The modifications permitted within the scope of this paragraph *do not* include a change of sponsorship. Changes of sponsorship are addressed in Section 3.5.

3.4.1 - Changes to a Business Entity

Each Distributor must immediately notify FuXion of all changes to type of Business Entity he or she utilizes in operating his or her business and the addition or removal of Affiliated Parties.

3.5 - Change of Sponsor

To protect the integrity of all Marketing Organizations and safeguard the hard work of all Distributors, FuXion strongly discourages changes in Sponsor. Maintaining the integrity of sponsorship is critical for the success of every Distributor and his or her Marketing Organization. Accordingly, the transfer of a FuXion business from one Sponsor to another is rarely permitted. Requests for change of Sponsor must be submitted in writing to the Distributor Services Department, and must include the reason for the transfer. Transfers will only be considered in the three circumstances set forth in this Section 3.5.

3.5.1 - Misplacement

In cases in which the new Distributor is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, a Distributor may request that he or she be transferred to another Marketing Organization with his or her entire Marketing Organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within 60 days from the date of enrollment. The Distributor requesting the change has the burden of proving that he or she was placed beneath the wrong Sponsor. It is up to FuXion's sole discretion whether the requested change will be implemented.

3.5.2 - Upline Approval

The Distributor seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form which includes the written approval of his or her immediate six upline Distributors following the enrollment tree in the Compensation Plan. Photocopied or facsimile signatures are not acceptable. All Distributor signatures must be notarized. The Distributor who requests the transfer must submit a fee of \$1000.00 for administrative charges and data processing. If the transferring Distributor also wants to move any of the Distributors in his or her Marketing Organization, each downline Distributor must also obtain a properly completed Sponsorship Transfer Form and return it

to FuXion with the \$100.00 change fee (i.e., the transferring Distributor and each Distributor in his or her Marketing Organization multiplied by \$100.00 is the cost to move a FuXion business.) Downline Distributors will not be moved with the transferring Distributor unless all of the requirements of this Section are met. Transferring Distributors must allow 30 days after the receipt of the Sponsorship Transfer Forms by FuXion for processing and verifying change requests.

3.5.3 - Cancellation and Re-application

A Distributor may legitimately change Marketing Organizations by voluntarily canceling his or her Distributor Agreement and FuXion business and remaining inactive (*i.e.*, no purchases of FuXion products for resale, no sales of FuXion products, no sponsoring, no attendance at any FuXion functions, no participation in any other form of Distributor activity or operation of any other FuXion business, and no income from the FuXion business) for six full calendar months. Following the six month period of inactivity, the former Distributor may reapply under a new Sponsor, however, the former Distributor's Marketing Organization will remain in its original line of sponsorship. FuXion may consider waiving the six month waiting period under exceptional circumstances. Such requests for waiver must be submitted to FuXion in writing.

3.5.4 – Company's Decision

In cases wherein the appropriate sponsorship change procedures have not been followed, and a Marketing Organization has been developed in the second business developed by a Distributor, FuXion reserves the sole and exclusive right to determine the final disposition of the Marketing Organization. Resolving conflicts over the proper placement of a downline that has developed under a Marketing Organization that has improperly switched sponsors is often extremely difficult. Therefore, **DISTRIBUTORS WAIVE ANY AND ALL CLAIMS AGAINST FUXION, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM FUXION'S DECISION REGARDING THE DISPOSITION OF ANY MARKETING ORGANIZATION OR ANY MARKETING ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**

3.6 - Unauthorized Claims and Actions

3.6.1 – Indemnification

A Distributor is fully responsible for all of his or her verbal and written statements made regarding FuXion products, services, and the Compensation Plan which are not expressly contained in Official FuXion Materials and his or her actions while conducting his or her FuXion business. By agreeing to the Distributor Agreement, each Distributor agrees to indemnify FuXion and FuXion's directors, officers, employees and agents, and hold them harmless from any and all liability, loss, cost or expense including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by FuXion asserted against or suffered or incurred by any of them, directly or indirectly, arising out of or in any way related to or connected with allegedly or otherwise, a Distributor's (a) activities as a Distributor; (b) breach of the terms of the Agreement; and/or (c) violation of or failure to comply with any applicable federal, state or local law or regulation. This provision shall survive the termination of the Distributor Agreement.

3.6.2 - Product Claims

3.6.2.1. No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by FuXion may be made except those contained in Official

FuXion Materials. In particular, no Distributor may make any claim that FuXion products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases.

3.6.2.2. Distributors must be truthful in the representation of the Company's products. Distributors may make no claim, representation or warranty concerning any product or service of the Company, except those expressly approved in writing by the Company or contained in Official FuXion Materials. No personal testimonials regarding the beneficial properties of any product offered by the Company may be made except those found in Official FuXion Materials.

3.6.2.3. EXCEPT AS EXPRESSLY MADE BY THE COMPANY IN WRITING, THE COMPANY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE EFFECTIVENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WORKMANSHIP, NON-INFRINGEMENT OR ANY OTHER WARRANTY ARISING BY LAW, STATUTE, USAGE OF TRADE OR COURSE OF DEALING CONCERNING ANY PRODUCT OR SERVICE PURCHASED FROM OR THROUGH THE COMPANY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL PRODUCTS AND SERVICES OF THE COMPANY ARE PROVIDED "AS IS," "WITH ALL FAULTS," AND "AS AVAILABLE."

3.7 - Commercial Outlets

Distributors may not sell FuXion products from a commercial outlet, nor may Distributors display or sell FuXion products or literature in any retail or service establishment. In the limited circumstances where a written exception to the policy may be granted, the establishment must offer some kind of health and wellness service and either an appointment or membership is required (e.g., a spa or medical office). Advertising would be limited to Official FuXion Materials and may only be visible in and from the private/membership area or the appointment area of the establishment. Allowing a retail establishment to sell FuXion products would create a fundamental conflict among competing distributors and thus create an unfair and unequal playing field. Memberships that are essentially rewards cards or discount club cards are not sufficient to be considered membership in this regard.

3.8 - Trade Shows, Expositions and Other Sales Forums

Distributors may display and/or sell FuXion products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Distributors must contact the Distributor Services department in writing for conditional approval, as FuXion policy is to authorize only one FuXion business per event. Final approval will be granted to the first Distributor who submits an official advertisement of the event, a copy of the contract signed by both the Distributor and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to customerservice@fuxion.net. FuXion further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the FuXion opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image FuXion wishes to portray.

3.9 - Conflicts of Interest

3.9.1 - Non-Solicitation During Term

Distributors are free to participate in other direct selling, multilevel, or network marketing business ventures or marketing opportunities (collectively "Network Marketing"). However, unless authorized

in writing by an officer of FuXion, during the term of Distributor Agreement, Distributors shall not directly or indirectly solicit, recruit, or attempt to solicit or recruit other FuXion Distributor to any other Network Marketing business. This includes general solicitations on social networking site where a Distributor's "contacts" include persons not personally sponsored by the Distributor. It also includes merely mentioning a Distributor's participation in another Network Marketing business. If a Distributor participates in another Network Marketing business, he or she agrees that he or she shall operate the FuXion business entirely separate and apart from it. Accordingly, if participating in another Network Marketing business, Distributor agrees that:

- Distributors shall not display any non-FuXion products and sales aids with, or in the same location as FuXion products or sales aids;
- Distributors shall not offer any non-FuXion program, opportunity, product, or service in conjunction with the FuXion opportunity or products to prospective or existing Retail Customers or Distributors; and
- Distributors shall not offer any non-FuXion opportunity, products, or services at any FuXion-related meeting, seminar or convention, or within two hours and a five mile (eight kilometers) radius of the FuXion event. If the FuXion meeting is held telephonically or on the internet, any non-FuXion meeting must be at least two hours before or after the FuXion meeting, and on a different conference telephone number or internet web address from the FuXion meeting.

3.9.2 - Non-Solicitation After Termination

For a period of 12 calendar months following termination or cancellation of the Distributor Agreement, a Distributor may not recruit any FuXion Distributor for another Network Marketing business. Each Distributor recognizes that because Network Marketing is conducted through networks of independent distributors in many countries, and business is commonly conducted via the Internet and telephone, an effort to narrowly limit the geographic scope of the non-solicitation provisions herein would render it wholly ineffective. Therefore, each Distributor agrees that this non-solicitation provision shall apply to all markets in which FuXion conducts business. This Section shall survive termination of the Agreement.

3.9.3 - Confidentiality Agreement

During the term of the Distributor Agreement, FuXion may supply to Distributors confidential information, whether in oral, written or electronic form (the "Confidential Information"), including, but not limited to Downline Activity Reports, Marketing Organization reports, Retail Customer information, Distributor lists and information, trade secrets, manufacturer and supplier information, business reports, commission or sales reports and such other financial and business information which FuXion deems as confidential. All such Confidential Information is proprietary and confidential to FuXion and is transmitted to Distributors in strictest confidence for use solely in Distributors' business with FuXion. Distributors must use their best efforts to keep such Confidential Information confidential and may not disclose any Confidential Information to any third party, directly, or indirectly except in strict accordance with the Distributor Agreement and these Policies and Procedures. Distributors may not use Confidential Information to sell products or services other than FuXion's products and services or in connection with any other business during the term of and after termination of the Distributor Agreement. Upon nonrenewal or cancellation of the Distributor Agreement, Distributors must immediately discontinue all use of the Confidential Information and if requested by FuXion promptly return all materials in their possession to FuXion within five business

days of request at their own expense. Notwithstanding any other provision of the Agreement, Distributors may never use FuXion's Confidential Information to solicit, recruit, or attempt to solicit or recruit, whether directly or indirectly, other FuXion Distributors to any other Network Marketing business.

3.9.4 - Downline Activity (Genealogy) Reports

Downline Activity Reports are available for Distributor access and viewing at FuXion's official web site. Distributors' access to their Downline Activity Reports is password protected. **All Downline Activity Reports and the information contained therein are confidential and constitute Confidential Information and business trade secrets belonging to FuXion.** Downline Activity Reports are provided to Distributors in strictest confidence and are made available to Distributors for the sole purpose of assisting Distributors in working with their respective Downline Organizations in the development of their FuXion business. Distributors should use their Downline Activity Reports to assist, motivate and train their downline Distributors. Each Distributor and FuXion agree that, but for this agreement of confidentiality and nondisclosure, FuXion would not provide Downline Activity Reports to the Distributor. A Distributor shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- Use the information to compete with FuXion or for any purpose other than promoting his or her FuXion business;
- Recruit or solicit any Distributor or Retail Customer of FuXion listed on any report, or in any manner attempt to influence or induce any Distributor or Preferred Customer of FuXion, to alter their business relationship with FuXion; or
- Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Downline Activity Report.

Upon demand by the Company, any current or former Distributor must return the original and all copies of Downline Activity Reports to the Company.

3.10 - Targeting Other Direct Sellers

FuXion does not condone Distributors specifically or consciously targeting the sales force of another Network Marketing company to sell FuXion products or to become Distributors for FuXion, nor does FuXion condone Distributors solicitation or enticement of members of the sales force of another Network Marketing company to violate the terms of their contract with such other company. Should Distributors engage in such activity, they bear the risk of being sued by the other Network Marketing company. If any lawsuit, arbitration or mediation is brought against a Distributor alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, FuXion will not pay any of Distributor's defense costs or legal fees, nor will FuXion indemnify the Distributor for any judgment, award, or settlement, and such Distributor shall indemnify the Company against all claims, actions, suits, and demands arising from or related to such activity.

3.11 - Cross-Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. "Cross Sponsoring" is defined as the enrollment or attempted enrollment of an individual who or entity that already has a current Retail Customer or Distributor Agreement on file with FuXion, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, any straw-man or other artifice to circumvent this policy is prohibited. Distributors shall not demean, discredit or defame other FuXion Distributors in an attempt to entice another Distributor to become part of the first Distributor's Marketing Organization. This policy shall not prohibit a sponsorship change in accordance with Section 3.5.

If Cross Sponsoring is discovered, it must be brought to the Company's attention immediately. FuXion may take disciplinary action against the Distributor that changed organizations and/or those Distributors who encouraged or participated in the Cross Sponsoring. FuXion may also move all or part of the offending Distributor's Marketing Organization to his or her original Marketing Organization if the Company deems it equitable and feasible to do so. However, FuXion is under no obligation to move the Cross-Sponsored Distributor's Marketing Organization, and the ultimate disposition of the Marketing Organization remains within the sole discretion of FuXion.

Distributors waive all claims and causes of action against FuXion arising from or relating to the disposition of the Cross Sponsored Distributor's Marketing Organization.

3.12 - Errors or Questions

If a Distributor has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Distributor must notify FuXion in writing within 60 days of the date of the purported error or incident in question at (877)809-4888 ATTN: Distributor Services Department or via e-mail to customerservice@fuxion.net. FuXion will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

3.13 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Distributors shall not represent or imply that FuXion or its Compensation Plan or Policies and Procedures have been "approved," "endorsed" or otherwise sanctioned by any government agency.

3.14 - Holding Applications or Orders

Distributors must not manipulate enrollments of new applicants and purchases of products. All Distributor Agreements, and product orders must be sent to FuXion within 72 hours from the time they are signed by a Distributor or placed by a Retail Customer, respectively.

3.15 - Identification

All Distributors are required to provide their Social Security Number, or a Federal Employer Identification Number to FuXion on the Distributor Agreement. Upon enrollment, the Company will provide a unique Distributor Identification Number to the Distributor by which he or she will be identified. This number will be used to place orders, and track commissions and bonuses.

3.16 - Income Taxes

Each Distributor is responsible for paying local, state, and federal taxes on any income generated as an Independent Distributor. If a FuXion business is tax exempt, the Federal tax identification number must be provided to FuXion. Every year, FuXion will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident as required by law.

3.17 - Independent Contractor Status

Distributors are independent contractors, and are not purchasers of a franchise or a business opportunity. The agreement between FuXion and its Distributors does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Distributor. No Distributor shall be treated as an employee for his or her services or for Federal or State tax purposes. All Distributors are responsible for paying local, state, and federal taxes due from all compensation earned as a Distributor of the Company. A Distributor has no authority (expressed or implied), to bind the Company to any obligation. Each Distributor shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Distributor Agreement, these Policies and Procedures and applicable laws.

3.18 - International Marketing

Because of critical legal and tax considerations, FuXion must limit the resale of FuXion, products, and the presentation of the FuXion business to prospective customers and Distributors located within the United States and U.S. Territories and those other countries that the Company has announced in writing are officially open for business. Moreover, allowing a few Distributors to conduct business in markets not yet opened by FuXion would violate the concept of affording every Distributor the equal opportunity to expand internationally.

Accordingly, Distributors are authorized to sell FuXion products and enroll Retail Customers or Distributors only in the countries in which FuXion is authorized to conduct business, as announced in Official FuXion Materials. FuXion products or sales aids cannot be shipped into or sold in any foreign country. Distributors may sell, give, transfer, or distribute FuXion products or sales aids only in their home country. In addition, no Distributor may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential customers or Distributors; or (c) conduct any other activity for the purpose of selling FuXion products, establishing a Marketing Organization or promoting the FuXion opportunity.

3.19 – Purchase Restrictions

Distributor shall not use another person's credit card when placing orders or place an order for a Retail Customer using the Distributor's credit card. The purchase of products on behalf of another Distributor or Retail Customer or through another Distributor's or Retail Customer's ID number is prohibited. No Distributor may advance money or promise reimbursement to a prospect in order to solicit them to purchase products. A Distributor may not purchase or sell a Retail Customer from or to any other Distributor for any reason.

3.20 - Excess Inventory and Bonus Buying

Distributors must never purchase more products than they can reasonably use or sell to Retail Customers in a month, and must not influence or attempt to influence any other Distributor to buy more products than they can reasonably use or sell to Retail Customers in a month. In addition, bonus buying is strictly prohibited. Bonus buying is any mechanism or artifice to qualify for Rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user consumers and includes, but is not limited to, (a) purchasing products

through a straw man, nonexistent person or Business Entity or other artifice; **(b) the enrollment of individuals or Business Entities without their knowledge of and/or execution of a Distributor Agreement by such individuals or Business Entities;** **(c) the fraudulent enrollment of an individual or entity as a Distributor or Retail Customer;** **(d) the purchasing of products, services or other items on behalf of another Distributor or Retail Customer or under another Distributor's or Retail Customer's I.D. number to qualify for commissions or bonuses;** or **(e) the use of a credit card by or on behalf of a Distributor or Retail Customer when the Distributor or Retail Customer is not the account holder of such credit card.**

3.21 - Adherence to Laws and Ordinances

Distributors shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. Distributors must obey those laws that apply to them. If a city or county official tells a Distributor that an ordinance applies to him or her, the Distributor shall be polite and cooperative and consult with his or her legal advisors to its applicability or compliance.

3.22 - Minors

Except as provided in this Section, a person who is recognized as a minor in his/her state of residence may not be a FuXion Distributor. Note that if an applicant is under the age of majority in his or her state of residence, the applicant may apply to become a Distributor if he or she is at least 16 years of age and his or her parent or legal guardian is the applicant's co-applicant. The parent or legal guardian may not have his or her own FuXion business. Distributors shall not enroll or recruit minors into the FuXion program unless the minor's parent or legal guardian is the minor's co-applicant.

3.23 - Beneficial Interest

A Distributor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, owner, partner, shareholder, member, trustee, or beneficiary, in only one FuXion business. No individual may have, operate or receive compensation from more than one FuXion business. A Distributor's spouse or partner residing with the Distributor has a beneficial interest in the distributorship. Also, if a Distributor is a Business Entity, then all possessing a right to control the Business Entity, including but not limited to any Affiliated Party, as the case may be, possesses a beneficial interest in the distributorship and may not hold a beneficial interest in another distributorship.

In order to maintain the integrity of the FuXion Compensation Plan, husbands and wives or common-law couples (collectively "spouses") who wish to become FuXion Distributors must be jointly sponsored as one FuXion business. Spouses, regardless of whether one or both are signatories to the Distributor Agreement, may not own or operate any other FuXion business, either individually or jointly, nor may they participate directly or indirectly (as a shareholder, partner, trustee, trust beneficiary, or any other legal or equitable ownership) in the ownership or management of another FuXion business in any form.

3.24 - Actions of Household Members or Affiliated Individuals

If any member of a Distributor's Immediate Household engages in any activity which, if performed by the Distributor, would violate any provision of the Agreement, such activity will be deemed a violation by the Distributor and FuXion may take disciplinary action against the Distributor. Similarly, if any individual associated in any way with a Business Entity violates the Agreement,

such action(s) will be deemed a violation by the Business Entity, and FuXion may take disciplinary action against the Business Entity.

3.25 - Requests for Records

Any request from a Distributor for copies of invoices, applications, downline activity reports, or other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

3.26 - Sale, Transfer or Assignment of FuXion Business

Although a FuXion distributorship is a privately owned, independently operated, the sale, transfer or assignment of a FuXion distributorship, or the sale, transfer, or assignment of an interest in a Business Entity that owns or operates a FuXion distributorship, is subject to certain limitations. If a Distributor wishes to sell his or her FuXion distributorship, or interest in a Business Entity that owns or operates a FuXion distributorship, the following criteria must be met:

- The Company must be offered the right of first refusal to purchase the distributorship under the same terms pursuant to which the Distributor receives a bona fide offer from a third-party purchaser.
- The buyer or transferee must become a qualified FuXion Distributor. If the buyer is an active FuXion Distributor, he or she must first terminate his or her FuXion account and wait six calendar months before acquiring any interest in a different FuXion account.
- Before the sale, transfer or assignment can be finalized and approved in writing by FuXion, any debt obligations the selling Distributor has with FuXion must be satisfied.
- The selling Distributor must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a FuXion business.

Prior to selling a FuXion business or Business Entity interest, the selling Distributor must notify the FuXion Compliance Department in writing and advise of his or her intent to sell the FuXion business or Business Entity interest. The selling Distributor must also receive written approval from the Compliance Department before proceeding with the sale. All accumulated down volume, personal volume and unpaid commissions will zero upon the transfer of ownership. No changes in line of sponsorship can result from the sale or transfer of a FuXion distributorship.

3.27 - Separation of a FuXion Business

FuXion Distributors sometimes operate their FuXion businesses as husband-wife partnerships or Business Entities. At such time as a marriage may end in divorce or a Business Entity may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. During the divorce or Business Entity dissolution process, the parties must adopt one of the following methods of operation:

- One of the parties may, with consent of the other(s), operate the FuXion business pursuant to an assignment in writing whereby the relinquishing spouse or equity owners authorize FuXion to deal directly and solely with the other spouse.

□ The parties may continue to operate the FuXion business jointly on a “business-as-usual” basis, whereupon all compensation paid by FuXion will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Marketing Organization of divorcing spouses or a dissolving Business Entity be divided. Similarly, under no circumstances will FuXion split commission and bonus checks between divorcing spouses or equity owners of dissolving Business Entities. FuXion will recognize only one Marketing Organization and will issue only one commission check per FuXion business per commission cycle. Commission checks shall always be issued to the same individual or Business Entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Distributor Agreement shall be involuntarily canceled by the Company. If a former spouse has completely relinquished all rights in the original FuXion business pursuant to a divorce, he or she is thereafter free to enroll under any Sponsor of his or her choosing without waiting six calendar months. In the case of Business Entity dissolutions, the former equity owners who retains no interest in the Business Entity must wait six calendar months from the date of the final dissolution before re-enrolling as a Distributor. In either case, the former spouse or equity owners shall have no rights to any Distributors in their former Marketing Organization or to any former Retail Customer. They must develop the new business in the same manner as would any other new Distributor.

3.28 - Sponsoring Online

When sponsoring a new Distributor through the online enrollment process, the Sponsor may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the online Distributor Agreement, FuXion’s Policies and Procedures, and the FuXion Compensation Plan. The Sponsor may not fill out the online Distributor Agreement on behalf of the applicant and agree to these materials on behalf of the applicant.

3.29 – Succession

3.29.1 - Transfer Upon Death of a Distributor Upon the death or incapacitation of a Distributor, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, a Distributor should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a FuXion business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Distributor’s Marketing Organization provided the following qualifications are met. The successor(s) must: (a) execute a Distributor Agreement; (b) comply with terms and provisions of the Agreement; (c) meet all of the qualifications for the deceased Distributor’s status; (d) must provide FuXion with an “address of record” to which all bonus and commission checks will be sent; and (e) if the business is bequeathed to joint devisees, they must form a Business Entity and acquire a Federal Taxpayer Identification Number. FuXion will issue all bonus and commission checks and one 1099 to the Business Entity. To effect a testamentary transfer of a FuXion business, the executor of the estate must provide the following to FuXion: (i) an original death certificate; (ii) a notarized copy of the will or other instrument establishing the successor’s right to the FuXion business; (iii) certified letters testamentary or a letter of administration appointing an executor; and (iv) written instructions from

the authorized executor to FuXion specifying to whom the business and income should be transferred.

3.29.2 - Transfer Upon Incapacitation of a Distributor To effectuate a transfer of a FuXion business because of incapacity, the successor must provide the following to FuXion: (a) a notarized copy of an appointment as trustee; (b) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the FuXion business; and (c) a completed Distributor Agreement executed by the trustee.

3.30 - Telemarketing Techniques

The Federal Trade Commission, the Federal Communications Commission and the states have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although FuXion does not consider Distributors to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that an inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause Distributors to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

Therefore, Distributors must not engage in telemarketing in the operation of their FuXion businesses. The term "telemarketing" includes, without limitation, the placing of one or more telephone calls to an individual or entity to induce the purchase of a FuXion product or service, or to recruit them for the FuXion opportunity. "Cold calls" made to prospective customers or Distributors that promote either FuXion's products or services or the FuXion opportunity constitute telemarketing and are prohibited.

3.31 - Back Office Access

FuXion makes online back offices available to its Distributors. Back offices provide Distributors access to confidential and proprietary information that may be used solely and exclusively to promote the development of a Distributor's FuXion business and to increase sales of FuXion products. However, access to a back office is a privilege, and not a right. FuXion reserves the right to deny Distributors' access to the back office at its sole discretion.

3.32 - International Marketing. FuXion may choose to open other countries ("Opened Countries") from time to time and may grant Distributors limited rights to participate in activities in those Opened Countries. FuXion may use one of the business models discussed below in developing Opened Countries. Permitted activities for non-resident Distributors in Opened Countries are as set forth below in Section 3.31.

3.32.1 – OTG Business Models. The on the ground model for an Opened Country (an "OTG Country") is a fully operational business model where Products are imported for personal consumption and/or resale in the OTG Country. Products are purchased and bonuses are paid in USD. Labeling and marketing materials specific to the OTG Country are available for Distributors residing in the OTG Country.

3.32.2 – NFR Business Model. The not for resale model for an Opened Country (an "NFR Country") is a business model of limited activity where residents of the NFR Country ("NFR Customers") may enroll to purchase products for personal consumption only. NFR Customers

may not sell, distribute or gift products in any way to persons outside their immediate household, nor shall they encourage, aid or abet a person to do so. NFR Customers must purchase products from a FuXion designated location and may receive commissions based on sales of products by FuXion to other NFR Customers they introduce to FuXion where allowable by law. Meetings in an NFR Country must be limited to explaining the product and enrollment opportunity.

3.32.3 - Distributor Activities in an Opened Country. A Distributor may not resell products to retail customers or other Distributors outside of a Distributor's home country of enrollment. Distributors should refer product sales in an Open Country to his or her Marketing Organization residing in the Opened Country. If a Distributor desires to sponsor outside his or her home country of enrollment, he or she must comply with the Policies and Procedures and such other guidelines FuXion implements in the Opened Country. Distributors may not advertise for leads without the prior written consent of FuXion. Only products officially approved in writing by FuXion may be imported into the Opened Country. Only marketing materials approved in writing by FuXion for use in the specific Opened Country may be used or distributed. Distributors may never secure or attempt to secure approval for FuXion's products; register or reserve the proprietary marks or other intellectual property or Internet domain names; or establish any kind of business or governmental contact on behalf of FuXion. Distributors may not seek or participate in media coverage of any kind without prior written approval from FuXion. Distributors may not make any product claims (including any medical or health claims) not approved in writing by FuXion or misrepresent the FuXion opportunity. Distributors may not make claims or guarantee of specific earnings potential. Distributors must comply with the laws of each Opened Country.

3.32.4 - Pre-Market Activity in a Country. Distributors may not engage in any business activity in an unopened country unless such activity is authorized in writing by FuXion.

3.32.5 - Monthly Processing Fee. A monthly processing fee may be charged for each Opened Country in which a Distributor conducts business.

3.32.6 - Earnings. There may be specific withholding or other tax requirements imposed on FuXion for earnings a Distributor makes from an Opened Country.

SECTION 4 - RESPONSIBILITIES OF DISTRIBUTORS

4.1 - Change of Address, Telephone, and E-Mail Addresses

To ensure timely delivery of products, support materials, and commission checks, it is critically important that the FuXion's files are current. Street addresses are required for shipping since UPS cannot deliver to a post office box. Distributors planning to change their e-mail address or move must send their new address and telephone numbers to FuXion's Corporate Offices to the attention of the Distributor Services Department. To guarantee proper delivery, Distributors may amend their contact information through their Distributor Back Office or provide two weeks advance to FuXion on all changes.

4.2 - Communicating with FuXion

It is critically important that FuXion be able to effectively and efficiently communicate with all Distributors. Distributors who need to contact the Company are encouraged to do so by email at

customerservice@FuXion.net or by telephone at (877)809-4888. By entering into the Distributor Agreement, each Distributor consents to the receipt of emails, telephone calls, recorded auto-dialed telephone messages, and text messages from the Company. Distributors may request that the Company not contact them by any of the foregoing methods by sending an opt-out request to customerservice@FuXion.net.

4.3 - Continuing Development Obligations

4.3.1 - Ongoing Training

Any Distributor who sponsors another Distributor into FuXion must perform a bona fide assistance and training function to ensure that his or her Marketing Organization is properly operating his or her FuXion business. Distributors must have ongoing contact and communication with the Distributors in their Marketing Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Distributors to FuXion meetings, training sessions, and other functions. Upline Distributors are also responsible to motivate and train new Distributors in FuXion product knowledge, effective sales techniques, the FuXion Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline Distributors must not, however, violate Section 3 (regarding the development of Distributor-produced sales aids and promotional materials). Distributors should monitor the Distributors in their Marketing Organizations to guard against downline Distributors making improper product or business claims, or engaging in any illegal or inappropriate conduct.

4.3.2 - Increased Training Responsibilities

As Distributors progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the FuXion program. They will be called upon to share this knowledge with lesser experienced Distributors within their Marketing Organization.

4.3.3 - Ongoing Sales Responsibilities

Regardless of their level of achievement, Distributors have an ongoing obligation to continue to personally promote sales through the generation of new Retail Customers and through servicing their existing Retail Customers.

4.4 - Non-Disparagement

FuXion wants to provide its independent Distributors with the best products, Compensation Plan, and service in the industry. Accordingly, FuXion value constructive criticisms and comments. All such comments should be submitted in writing to customerservice@fuxion.net. Remember, to best serve Distributors, FuXion must hear from them! While FuXion welcomes constructive input, negative comments and remarks made in the field by Distributors about the Company, its products, or Compensation Plan serve no purpose other than to sour the enthusiasm of other FuXion Distributors. For this reason, and to set the proper example for their downline, Distributors must not disparage, demean, or make negative remarks about FuXion, other FuXion Distributors, FuXion's products, the Compensation Plan, or FuXion's directors, officers, or employees.

4.5 - Providing Documentation to Applicants

Distributors must provide the most current version of the Distributor Agreement, Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become

Distributors before the applicant signs a Distributor Agreement. Additional copies of Policies and Procedures can be downloaded from FuXion's website. Distributors may make no representations or warranties about the Company, the Compensation Plan, FuXion Products or the FuXion Business except as contained in official FuXion Materials and shall be liable to the company for any incorrect misleading or false information provided to the prospect, distributor or retail customer. Distributors must rely solely on official FuXion materials for all information.

4.6 - Reporting Policy Violations

Distributors observing a Policy violation by another Distributor should submit a written report of the violation directly to the attention of the FuXion Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

4.7 – Privacy Policy

Distributors must comply with all applicable privacy and data security laws, including security breach notification laws. Distributors must take appropriate steps to safeguard and protect all private information, including, without limitation, credit card and social security numbers, provided by a Retail Customer, prospective Retail Customer or other Distributors. Distributors must hold such information in strict confidence. Distributors are responsible for the secure handling and storage of all documents that may contain such private information. Distributors must adopt, implement, and maintain appropriate administrative, technical, and physical safeguards to protect against anticipated threats or hazards to the security of confidential information and customer data. Appropriate safeguards may include, but are not limited to: (a) encrypting data before electronically transmitting it; (b) storing records in a secure location; (c) password-protecting computer files, or (d) shredding paper files containing confidential information or customer data. Distributors should retain documents containing such information for only as long as necessary to complete the transaction. Distributors should dispose of any paper or electronic record containing customer data and other confidential information after use by taking all reasonable steps to destroy the information by shredding, permanently erasing and deleting or otherwise modifying the customer data and other confidential information in those records to make it unreadable, unreconstructible, and indecipherable through any means.

SECTION 5 - SALES REQUIREMENTS

5.1 - Product Sales

The FuXion Compensation Plan is based on the sale of FuXion products and services to end consumers. Distributors must fulfill personal and Marketing Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. In order to be eligible for bonuses, Distributors must satisfy the Personal Volume and Downline Volume requirements to fulfill the requirements associated with their Rank as specified in the FuXion Compensation Plan. "Personal Volume" includes purchases made by the Distributor and purchases made by the Distributor's personal Retail Customers. Downline Volume shall include the total Personal Volume of the Distributor and all Distributors in his or her Marketing Organization.

5.2 - 70% Rule

The FuXion Compensation Plan is based on product sales to end customers. Accordingly, Distributors are required to distribute or use at least 70% of the product purchased each month to

prospective and current Retail Customers. Distributors agree not to place additional orders with FuXion until at least 70% of the product purchased in the prior month has been used or distributed and sold to prospective and current Retail Customers. Distributors also agree to validate distribution to prospective and current Retail Customers upon the Company's request. FuXion reserves the right to take any of the actions in Section 8.1 against Distributors who breach this Section 5.2, including termination of the Distributor Agreement. See also Section 7.5 Product Abandonment.

5.3 - No Territory Restrictions

There are no exclusive territories granted to anyone. No franchise fees are required.

5.4 - Sales Receipts

All Distributors must provide their Retail Customers with two copies of an official FuXion sales receipt at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law. Distributors must maintain all retail sales receipts for a period of two years and furnish them to FuXion at the Company's request. Records documenting the purchases of Distributors' Retail Customers will be maintained by FuXion. Receipts will be emailed to Retail Customers. Remember that Retail Customers must receive two copies of the sales receipt. In addition, Distributors must orally inform the Retail Customer of his or her cancellation rights.

SECTION 6 – COMMISSION AND BONUS QUALIFICATIONS

6.1 - Qualifications and Payment

A Distributor must be Active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Distributor complies with the terms of the Agreement, FuXion shall pay commissions to such Distributor in accordance with the Compensation Plan. The minimum amount for which FuXion will issue a check is \$15.00. If a Distributor's bonuses and commissions do not equal or exceed \$15.00, the Company will accrue the commissions and bonuses until they total \$15.00. A check will be issued once \$15.00 has been accrued. Notwithstanding the foregoing, all commissions owed a Distributor, regardless of the amount accrued, will be paid at the end of each fiscal year. An account must be current by the payment of an annual renewal at the time of disbursement. If an account has failed to pay for the annual renewal prior to payment, the amount owed will be applied to the renewal.

The Company will pay commissions to qualified Distributors pursuant to the current Compensation Plan on product orders that: (a) are received by the Company before the end of the commission period, and (b) have been fully paid with the appropriate payment.

Commissions are paid in the name of the entity/individual listed on the Distributor Agreement. Bonuses are paid on Friday of each week; payments are two weeks in arrears following the weekly qualifying period. For an order to be included in a weekly qualifying period, it must be received by the Company between 12:00:00 a.m. Eastern Standard Time Tuesday morning and 11:59:59 p.m. Eastern Standard Time the following Monday. NOTE: Because FuXion is an international company operating in many countries that do not adjust for daylight savings, we do not adjust for daylight savings.

6.2 - Adjustment to Commissions and Bonuses

6.2.1 - Adjustments for Returned Products

Distributors receive commissions based on the actual sales of products and services to end consumers. When a product is returned to FuXion for a refund or is repurchased by the Company, either of the following may occur at the Company's discretion: (a) the commissions attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the upline Distributors who received commissions on the sales of the refunded products; or (b) the upline Distributors who earned commissions based on the sale of the returned products will have the corresponding points deducted from their Downline Volume in the next month and all subsequent months until it is completely recovered.

6.2.2 - Hard Copy Bonus Checks

In the event the Company begins paying bonuses by direct deposit or via a Company-provided debit card, it reserves the right to deduct a processing fee from all hard-copy bonus checks issued to Distributors. Distributors will be notified of the amount of this fee if they choose to receive a hard-copy bonus check.

6.2.3 - Reissuance of Checks

In the event that a bonus check must be reissued to a Distributor, the Company will charge the Distributor a fee of \$25.00. If a check must be reissued because of the Company's error, no additional charge will be applied.

6.2.4 - Tax Withholdings

If a Distributor fails to submit a W-9 form, FuXion may deduct the necessary withholdings from the Distributor's commission checks as required by law.

6.3 - Deductions and Offsets

The Distributor authorizes the Company to deduct fees from its commissions as deemed appropriate in accordance with any term or condition of the Agreement. Any fees will be assessed at the sole discretion of the Company.

6.4 - Reports

All information provided by FuXion in online or telephonic Downline Activity Reports, including but not limited to Personal and Downline Volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human, digital, and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments returned products; credit card and electronic charge-backs; the information is not guaranteed by FuXion or any persons creating or transmitting the information.

ALL PERSONAL AND DOWNLINE VOLUME INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, FUXION AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY DISTRIBUTOR OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, OR DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF FUXION OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, FUXION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO DISTRIBUTORS OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

ACCESS TO AND USE OF THE FUXION' ONLINE AND TELEPHONE REPORTING SERVICES AND YOUR RELIANCE UPON SUCH INFORMATION IS AT YOUR OWN RISK. ALL SUCH INFORMATION IS PROVIDED TO YOU "AS IS". IF YOU ARE DISSATISFIED WITH THE ACCURACY OR QUALITY OF THE INFORMATION, YOUR SOLE AND EXCLUSIVE REMEDY IS TO DISCONTINUE USE OF AND ACCESS TO THE FUXION ONLINE AND TELEPHONE REPORTING SERVICES AND YOUR RELIANCE UPON THE INFORMATION.

SECTION 7 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

7.1 - Product Guarantee

FuXion offers a 100% 30 day money-back satisfaction guarantee (less shipping charges) to all Retail Customers and Distributors **on their first purchase which includes product**. Except as otherwise set forth in this [Section 7](#), subsequent purchases of product will not be returnable under this policy even if purchased inside the first 30 days. Under this guarantee, Distributors and Retail Customers, at their own expense, may return to FuXion any unused and/or unopened product and receive a 100% refund of the purchase price of the returned product within such time period.

7.2 - Returns

7.2.1 - Returns by Retail Customers

FuXion offers a 100% 30 day money-back guarantee to all Retail Customers on their first order of FuXion products. Every Distributor is bound to honor the Retail Customer guarantee. If, for any reason, a Retail Customer is dissatisfied with any FuXion product, the Retail Customer may return the unused portion of the product to the Distributor from whom it was purchased, within 30 days, for a replacement, exchange or a full refund of the purchase price (less shipping charges).

All Retail Customers must be provided with two copies of an official FuXion sales receipt at the time of the sale. The back of the receipt provides the Retail Customer with written notice of his or her rights to cancel the sales agreement.

7.2.2 - Return of Personal Use Product by Distributors

Distributors may return product on their first product order purchased for personal consumption within the thirty days. [The first 50 points of product (100 for joint accounts) purchased by each Distributor account is considered personal use. The product must meet all of the same criteria as inventory returns in Section 7.2.3. Orders that are cancelled prior to shipping are subject to a \$25.00 restocking fee.]

7.2.3 - Return of Inventory and Sales Aids by Distributors

Distributor who is quitting the business may return product purchases, Enrollment Kit and sales aids that he or she personally purchased from FuXion and which are in Resalable (see Definition of "Resalable" below) condition and which have been purchased within one year of the date of return. All purchases from other Distributors or third parties are not subject to refund. Upon receipt of a Resalable product and sales aids, the Distributor will be reimbursed 90% of the net cost of the original purchase price. Shipping charges incurred by a Distributor when the product, Enrollment Kit or sales aids were purchased will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If, for some reason, the refund cannot be made to the original card, a check will be issued within 30 days of the confirmation of return. If a Distributor was paid a commission based on active qualification dependent upon a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the commission that was paid based on the above will be deducted from the amount of the refund. Products and sales aids shall be deemed "Resalable" if each of the following elements is satisfied: a) they are unopened and unused; b) if returned for repurchase at least 3 months prior to the date the product's or sales aids' commercially reasonable usable or shelf life period has passed or (c) if the Company clearly discloses to the Distributor prior to purchase that the products or sales aids are seasonal, discontinued or special promotions and are not subject to the repurchase obligation. FuXion guarantees to ship all products with greater than 3 months left prior to any best by or expiration date, unless otherwise noted. Product received by Distributor who intends on maintaining inventory for a longer period of time must be returned for exchange (or refund at Company's discretion) within 30 days of receipt. If no such exchange occurs, the sale is final. Under no circumstances will FuXion effect return of product past the best by or expiration date.

7.3 – State Laws

Where any state may require a different buy back policy than the Company's, that state's buyback policy will apply. The following only applies to Distributors who are residents of the states listed below and are in addition to the refund policy in Sections 7.2.2 and 7.2.3:

Georgia: The Company will repurchase all unencumbered products, sales aids, literature, and promotional items which are in a reasonably resalable or reusable condition and which were acquired by the Distributor from the Company. The repurchase shall be at a price not less than 90% of the original net cost to the Distributor of the goods being returned. For purposes of this paragraph, "original net cost" means the amount actually paid by the Distributor for the goods, less any consideration received by the Distributor for purchase of the goods that is attributable to the specific goods being returned. Goods shall be deemed "resalable or reusable" if the goods are in an unused, commercially resalable condition at the time the goods are returned to the Company. Goods which are no longer marketed by the Company shall be deemed "resalable or reusable" if the goods are in an unused, commercially resalable condition and are returned to the Company within one year from the date the Company discontinued marketing the goods; provided, however, that goods which are no longer marketed shall be deemed not "resalable or

reusable” if the goods are sold to an Distributor as non-returnable, discontinued, or seasonal items and the non-returnable, discontinued, or seasonal nature of the goods was clearly disclosed to the Distributor seeking to return the goods prior to the purchase of the goods by the Distributor.

Maryland: The Company will repurchase products that are in resalable condition at the price actually paid by the Distributor for the products being returned within three months of purchase.

Massachusetts and Wyoming: The Company will (a) repurchase all unencumbered products in a resalable condition then in the possession of the Distributor at a price of not less than 90% of the original net cost to the Distributor returning such goods taking into account any sales made by or through such Distributor prior to notification to the Company of the election to cancel, (b) repay 90% of the original net cost of any services provided to the Distributor, and (c) refund 90% of any other consideration the Distributor paid to the Company in order to participate in the marketing program.

Puerto Rico: The Company will (a) repurchase all unencumbered products in a resalable condition then in the possession of the Distributor at a price of not less than 90% of the original net cost to the Distributor returning such goods, (b) repay 90% of the original net cost of any services provided to the Distributor, and (c) refund 90% of any other consideration the Distributor paid to the Company in order to participate in the marketing program.

Louisiana: The Company will repurchase all or part of any product that is in a resalable condition (a) at 90% of the original net cost to the Distributor, and (b) repay 90% of the original net cost of any services provided to the Distributor, and (c) refund 90% of any other consideration the Distributor paid to the Company in order to participate in the marketing program.

Montana: Distributors who are residents of Montana who cancel their participation in the Company within 15 days are entitled to a 100% refund of any consideration given to participate in the Company. Upon the request of a Montana Distributor who decides to terminate participation in the Company, the Company will repurchase, at not less than 90% of the amount paid by the Distributor, any currently marketable goods or services sold to the resident within 12 months of the request that have not been resold or consumed by the resident. If disclosed to the Montana Distributor at the time of purchase, goods or services are not considered currently marketable if the goods have been consumed or the services rendered or if the goods or services are seasonal, discontinued, or special promotional items. Sales plan or operation promotional materials, sales aids, and sales kits are subject to this refund provision if they are a required purchase for the Montana Distributor or if the Distributor has received or may receive a financial benefit from their purchase.

7.4 - Product Abandonment

An order transaction is considered complete only when the order has been paid for and method of receipt has been satisfied. If, as a delivery method a Distributor has elected to pick up his or her product at one of the Company’s distribution centers, and fails to do so after 90 days from the date the order has been completed, the Company reserves the right to determine the final outcome of the products and the Distributors release FuXion from any further obligation or liability.

7.5 - Procedures for All Returns and Refunds

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

- Non-Merchandise Services must be requested to be cancelled prior to their billing date. Purchase of additional products or services or the collection of commissions after such billing is grounds for denial of refund request. In no case will FuXion refund a charge for a Non-Merchandise Service more than 90 days after the charge. It is the responsibility of the Distributor to retain verification of cancellation, and monitor his or her credit card statement to ensure he or she is not being automatically billed.
- All merchandise must be returned by the Distributor or Retail Customer who purchased it directly from FuXion.
- All products to be returned must have a Return Merchandise Authorization (RMA) number which is obtained by calling Customer Service at (877)809-4888. Return Merchandise Authorization number must be written on each carton returned or the Company will not be able to issue a refund.
- Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. All returns must be shipped to FuXion shipping pre-paid. FuXion does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the Distributor. If returned product is not received by the Company's Distribution Center, it is the responsibility of the Distributor to trace the shipment. For this reason, the Company recommends shipping the product via a method with tracking capabilities.
- Refusal to accept delivery from a carrier is not an acceptable method of returning product. Due to the additional cost of processing returns that do not have an RMA number, the Distributor or Retail Customer who refuses delivery will pay an additional \$25 fee on a refused order and will have return shipping deducted from the refund.
- If a Distributor is returning merchandise to FuXion that was returned to him or her by a Retail Customer, the product must be received by FuXion within 10 days from the date on which the Retail Customer returned the merchandise to the Distributor, and must be accompanied by the sales receipt the Distributor gave to the Retail Customer at the time of the sale.
- Refund payment methods are limited to the original form of payment, or if not available, by check in US dollars or such other form as the Company may choose. No refunds will be issued after one year from the purchase date.

No refund or replacement of product will be made if the conditions of these rules are not met.

The Company will exchange product if the product is damaged in shipment, incorrectly sent due to a Company error, or of substandard quality. However, when an exchange is not feasible, the Company will refund the amount of the returned product. If product is damaged or defective, the Distributor or Retail Customer should contact the Company within 10 days of receipt of the order. The company may issue a call tag for the product and will immediately send a replacement order. The Company will inspect the product upon receipt. If the Company has given Distributor or Retail Customer the option to pick up product from various distribution centers, the product must be picked up from the distribution center within five business days or it will be shipped to the Distributor or Retail

Customer with the Distributor or Retail Customer bearing the additional shipping charges which will be charged to the card on which the order was placed.

SECTION 8 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

8.1 - Disciplinary Sanctions

Violation of the Distributor Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Distributor that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the Distributor's FuXion Distributorship), may result, at the Company's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Distributor to take immediate corrective measures;
- FuXion may withhold from a Distributor all or part of the Distributor's commissions during the period that FuXion is investigating any conduct allegedly violative of the Agreement;
- Suspension of the individual's Distributor Agreement for one or more pay periods;
- Involuntary termination of the offender's Distributor Agreement;
- Suspension and/or termination of the offending Distributor's FuXion website or website access;
- Any other measure expressly allowed within any provision of the Agreement or which FuXion deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Distributor's policy violation or contractual breach;
- In situations deemed appropriate by FuXion, the Company may institute legal proceedings for monetary and/or equitable relief.

8.2 - Grievances and Complaints

When a Distributor has a grievance or complaint with another Distributor regarding any practice or conduct in relationship to their respective FuXion businesses, the complaining Distributor should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's upline Sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Distributor Services Department at the Company. The Distributor Services Department will review the facts and attempt to resolve it.

8.3 - Mediation

Prior to instituting an arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorneys fees, costs, and individual expenses

associated with conducting and attending the mediation. Mediation shall be held in Dallas, Texas and shall last no more than two business days.

8.4 - Arbitration

If mediation is unsuccessful, **any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Distributors waive all rights to trial by jury or, except as set forth herein, to any court.** All arbitration proceedings shall be held in Dallas, Texas. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure, and the Federal Rules of Evidence shall apply. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions, selected from the panel which the American Arbitration Panel provides. The prevailing party shall be entitled to receive from the losing party costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement. The parties and the arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose to any person not directly involved in the arbitration process:

- The substance of, or basis for, the controversy, dispute, or claim;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award;
- The rulings of the arbitrator on the procedural and substantive issues involved in the case.

Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity, use or registration of any Proprietary Mark or Confidential Information of the Company without the Company's prior written consent. The Company may seek any applicable remedy in any applicable forum with respect to these disputes.

Furthermore, nothing in these Policies and Procedures shall prevent either party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect its interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to, or to subtract from any of the provisions of the Policies and Procedures, Compensation Plan or the Distributor Agreement. The arbitrator shall not have the power to rule upon or grant any extension, renewal or continuance of the Distributor Agreement. The arbitrator shall not have the power to award special, incidental, indirect, punitive or exemplary, or consequential damages of any kind or nature, however caused.

Any modification of these arbitration provisions shall not apply retroactively to any dispute which arose or which FuXion had notice of before the date of modification.

8.5 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in the State or Federal Courts residing in Dallas, Texas. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Texas shall govern all other matters relating to or arising from the Agreement.

8.5.1 - Louisiana Residents

Notwithstanding the foregoing, and the arbitration provision in Section 8.4, residents of the State of Louisiana shall be entitled to bring an action against FuXion in their home forum and pursuant to Louisiana law.

8.6 - Class Proceedings

In consideration of the right to become a distributor of FuXion, all Distributors expressly waive and disclaim any right to bring any claim or action in any and all forums and proceedings as a class action. No Distributor may serve as a member of a class or as a class representative in litigation or other proceeding adverse to FuXion or its affiliates or any other distributor.

SECTION 9 - PAYMENT AND SHIPPING

9.1 - Returned Checks

All checks returned by a Distributor's bank for insufficient funds will be re-submitted for payment. [A **\$35.00 returned check fee**] will be charged to the account of the Distributor. After receiving a returned check from a customer or a Distributor, *all future orders must be paid by credit card, money order or cashier's check. Any outstanding balance owed to FuXion by a Distributor for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.*

9.2 - Restrictions on Third Party Use of Credit Cards and Checking Account Access

A Distributor shall not permit other Distributors or Retail Customers to use his or her credit card or permit debits to his or her checking accounts, to enroll or to make purchases from the Company. **If Distributor uses another party's credit card on their own account and the cardholder does a charge back, Distributor agrees to allow FuXion to charge the order and any chargeback fees onto any card on Distributor's account to recuperate the funds.**

9.3 - Sales Taxes

In designing the FuXion opportunity, one of our guiding philosophies has been to free Distributors from as many administrative, operational, and logistical tasks as possible. In doing so, Distributors are free to concentrate on those activities that directly affect their incomes, namely product sales and enrollment activities. To these ends, FuXion relieves Distributors of the burdens of collecting and remitting sales taxes, filing sales tax reports, and keeping records relative to sales taxes. By virtue of its business operations, FuXion is required to charge sales taxes on all purchases made by Distributors and Retail Customers, and remit the taxes charged to the respective states. Accordingly, FuXion will collect and remit sales taxes on behalf of Distributors, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined.

Distributors and Retail Customers in U.S. Possessions and Territories are responsible for all duties and taxes assessed on products imported from the continental United States.

SECTION 10 - CANCELLATION

10.1 - Effect of Cancellation

So long as a Distributor remains active and complies with the terms of the Distributor Agreement and these Policies and Procedures, FuXion shall pay commissions to such Distributor in accordance with the Compensation Plan. A Distributor's commissions constitute the entire consideration for the Distributor's efforts in generating sales and all activities related to generating sales (including building a Marketing Organization). Following a Distributor's non-renewal of his or her Distributor Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Distributor Agreement (all of these methods are collectively referred to as "cancellation"), the former Distributor shall have no right, title, claim or interest to the Marketing Organization which he or she operated, or any commission or bonus from the sales generated by the Marketing Organization. **A Distributor whose account is cancelled will lose all rights as a Distributor. This includes the right to sell FuXion products and services and the right to receive future commissions, or other income resulting from the sales and other activities of the Distributor's former Marketing Organization. In the event of cancellation, Distributors agree to waive all rights they may have, including but not limited to property rights, to their former Marketing Organization and to any commissions, or other remuneration derived from the sales and other activities of their former Marketing Organization.**

Following a Distributor's cancellation of his or her Distributor Agreement, the former Distributor shall not hold himself or herself out as a FuXion Distributor and shall not have the right to sell FuXion products or services. A Distributor whose Distributor Agreement is canceled shall receive commissions only for the last full pay period he or she was active prior to cancellation.

10.2 - Involuntary Cancellation

A Distributor's violation of any of the terms of the Agreement, including any amendments that may be made by FuXion in its sole discretion, may result in any of the sanctions listed in Section 8.1, including the involuntary cancellation of his or her Distributor Agreement. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the Distributor's last known address, email address, or fax number, or to his/her attorney, or when the Distributor receives actual notice of cancellation, whichever occurs first. FuXion

reserves the right to terminate all Distributor Agreements upon thirty days written notice in the event that it elects to: (a) cease business operations; (b) dissolve as a Business Entity; or (c) terminate distribution of its products via direct selling.

10.3 - Voluntary Cancellation

A Distributor has a right to cancel his or her Distributor at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the Distributor's signature, printed name, address, and Distributor I.D. Number.

10.4 - Non-renewal

A Distributor may also voluntarily cancel his or her Distributor Agreement by failing to renew the Agreement on its anniversary date. The Company may also elect not to renew a Distributor's Agreement upon its anniversary date.

SECTION 11 – MISCELLANEOUS PROVISIONS

11.1 - Changes to the Agreement

FuXion reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By executing the Distributor Agreement, a Distributor agrees to abide by all amendments or modifications that FuXion elects to make. Amendments shall be effective immediately after publication of notice that the Agreement has been modified. Distributors who have purchased products or accepted commission checks from FuXion subsequent to an amendment or modification are deemed to have further consented to any amendments. Notwithstanding the foregoing, all Distributors shall be bound by any amendments upon notification of the amendments through any of the FuXion official channels of communication. Those channels include, but are not limited to, posting of information to the official FuXion website, email to the Distributors, announcements in any official FuXion newsletter, social media page or other publication, or mail to the Distributor at the address listed on the Distributor Agreement.

11.2 - Delays

FuXion shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond a party's reasonable control. This includes, without limitation, weather, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders.

11.3 - Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

11.4 - Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of FuXion to exercise any right or power under the Agreement or to insist upon strict compliance by a Distributor with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of FuXion right to demand exact compliance with the

Agreement. Waiver by FuXion can be effectuated only in writing by an authorized officer of the Company. FuXion's waiver of any particular breach by a Distributor shall not affect or impair FuXion rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Distributor. Nor shall any delay or omission by FuXion to exercise any right arising from a breach affect or impair FuXion rights as to that or any subsequent breach. The existence of any claim or cause of action of a Distributor against FuXion shall not constitute a defense to FuXion enforcement of any term or provision of the Agreement.

11.5 - Limitation of Liability

To the extent permitted by law, the Company, its directors, officers, members, managers, shareholders, employees, assigns and agents (collectively referred to in this section as "Responsible Parties") shall not be liable for, and each Distributor releases Company and its Responsible Parties from and waives all claims, for any loss of profits, indirect, direct, special or consequential damages, and for any other losses incurred or suffered by a Distributor as a result of: (a) Distributor's breach of the Agreement, (b) the promotion or operation of the Distributorship ; (c) Distributor's incorrect or wrong data or information provided to the Company or its Responsible Parties; or (d) the Distributor's failure to provide any information or data necessary for the Company to operate its business. EACH DISTRIBUTOR AGREES THAT THE ENTIRE LIABILITY OF THE COMPANY AND ITS RESPONSIBLE PARTIES FOR ANY CLAIM WHATSOEVER RELATED TO THE AGREEMENT, BUT NOT LIMITED TO, ANY CAUSE OF ACTION SOUNDING IN CONTRACT, TORT, OR EQUITY, SHALL NOT EXCEED, AND SHALL BE LIMITED TO, THE AMOUNT OF PRODUCTS THE DISTRIBUTOR HAS PURCHASED FROM THE COMPANY. THE COMPANY IS NOT RESPONSIBLE OR LIABLE FOR MAINTAINING ANY DISTRIBUTOR OR RETAIL CUSTOMER DATA OR FOR THE DELETION, CORRUPTION, DESTRUCTION, DAMAGE, LOSS OR FAILURE OF ANY DISTRIBUTOR OR RETAIL CUSTOMER DATA OR FOR ANY THIRD PARTY ACCESS TO ANY DISTRIBUTOR OR RETAIL CUSTOMER DATA. THE COMPANY DOES NOT WARRANT THAT ITS PRODUCTS OR SERVICES WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE SYSTEMS OR THAT ON-LINE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. THE COMPANY DOES NOT WARRANT THAT ANY WEBSITE OPERATED, SPONSORED OR HOSTED BY THE COMPANY OR ANY OF ITS AFFILIATES WILL BE UNINTERRUPTED OR FREE FROM ERROR. THE COMPANY IS NOT RESPONSIBLE FOR INTERRUPTED, INACCESSIBLE OR UNAVAILABLE NETWORKS, SERVER, SATELLITES AND/OR SERVICE PROVIDERS; OR FOR MISCOMMUNICATIONS, FAILED, JUMBLED, SCRAMBLED, DELAYED OR MISDIRECTED COMPUTER, TELEPHONE OR CABLE TRANSMISSIONS; OR FOR ANY TECHNICAL MALFUNCTIONS, FAILURES OR DIFFICULTIES.

11.6 - Notice

Any communication, notice or demand of any kind whatsoever, which either the Affiliate or the Company may be required or may desire to give or to serve upon the other shall be in writing and delivered either (a) by electronic communication (whether by email or telecopy (if confirmed in writing sent by registered or certified mail, postage pre-paid, return receipt requested or by personal service), (b) personally or by same day local courier services or overnight express delivery services; or (c) by registered or certified mail, postage pre-paid, return receipt requested, or by personal service or overnight courier service. Notices delivered personally, by overnight express delivery service or by local courier service shall be deemed given as of actual receipt. Mailed notices shall be deemed given three Business Days after mailing. "Business Day" means any Monday through

Friday other than any such day which, in the State of Texas, is a legal holiday or a day on which banking institutions are authorized or required by law or regulation to close. Any such communication, notice or demand shall be deemed to have been given or served on the date personally received by personal service or overnight courier service, on the date of confirmed dispatch if by electronic communication, or on the date shown on the return receipt or the other evidence if delivery is by mail. Any party may change its address for notice by giving written notice to the other in the manner provided in this Section.

11.7 - Survival

Any provision of the Agreement, which, by its terms, is intended to survive termination or expiration of the Distributor Agreement shall so survive, including, without limitation, the arbitration, non-competition, non-solicitation, trade secrets and confidential information covenants contained in the Agreement.

11.8 - Offset

The Company shall have the right to offset any amounts owed by Distributor to the Company (including, without limitation, fees charged in connection with the payment of commissions and amounts owed as a result of product refunds) against the amount of any commissions or bonuses owed to Distributor.

11.9 - Fees

From time to time, the Company or its third-party administrator may charge fees for various services it provides, including fees for processing and issuing commission and bonus payments. Please check the Company's website and other Company materials for specific information concerning such fees. These fees may be deducted from commission payments.

SECTION 12 - DEFINITIONS

Active Customer – A Retail Customer who purchases FuXion products and whose account has been paid for the current period.

Active Distributor – A Distributor who satisfies the minimum Personal Volume requirements, as set forth in the FuXion Compensation Plan, to ensure that he or she is eligible to receive commissions.

Active Rank – The term “Active Rank” refers to the current rank of a Distributor, as determined by the FuXion Compensation Plan, for any month. To be considered “Active” relative to a particular rank, a Distributor must meet the criteria set forth in the FuXion Compensation Plan for his or her respective rank. *(See the definition of “Rank” below.)*

Agreement – The contract between the Company and each Distributor includes the Distributor Agreement, the FuXion Policies and Procedures, the FuXion Compensation Plan, and the Business Entity Form (where appropriate), all in their current form and as amended by FuXion in its sole discretion.

Cancel – The termination of a Distributor's business. Cancellation may be either voluntary, involuntary, through non-renewal **or inactivity**.

Downline Volume – The commissionable value of FuXion products or services sold by a Distributor's Marketing Organization. (Enrollment Kits and sales aids have no sales volume.)

Downline Activity or Genealogy Report – A monthly report generated by FuXion that provides critical data relating to the identities of Distributors, sales information, and enrollment activity of each Distributor’s Marketing Organization. This report contains confidential and trade secret information which is proprietary to FuXion.

Enrollment Kit – A selection of FuXion training materials and business support literature that each new Distributor is required to purchase.

Immediate Household – Heads of household and dependent family members residing in the same house.

Inventory Purchase – Some Distributors prefer to buy larger quantities of product to directly sell to their Retail Customers. This practice is not encouraged, as FuXion will send product directly to Retail Customers. FuXion further discourages its Distributors from loading themselves with inventory.

Marketing Organization – The Retail Customers and Distributors sponsored below a particular Distributor.

Official FuXion Materials – Literature, audio or video tapes, and other materials developed, printed, published and distributed by FuXion to Distributors.

Personal Product – The first 50 points of product purchased every month (100 points for joint accounts) is considered personal use. Product purchased for personal use is subject to personal use return policies, not inventory return policies.

Personal Volume (PV) – A Distributor’s Personal Sales Volume includes the commissionable value of services and products purchased in a month by the a Distributor and by the Distributor’s Retail Customers.

Rank – The “title” that a Distributor has achieved pursuant to the FuXion Compensation Plan.

Recruit – For purposes of the FuXion Conflict of Interest Policy ([Section 3.9](#)), the term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another FuXion Distributor or Retail Customer to enroll or participate in another Network Marketing opportunity and this conduct constitutes recruiting even if the Distributor’s actions are in response to an inquiry made by another Distributor or Retail Customer.

Retail Customer – An individual or entity that purchases FuXion products or services from a Distributor, but who is not a Distributor or in the Household Family of a Distributor.

Sponsor – A Distributor who enrolls a Retail Customer or another Distributor into the Company, and is listed as the Sponsor on the Distributor Agreement. The act of enrolling others and training them to become Distributors is called “sponsoring.”

Upline – This term refers to the Distributor or Distributors above a particular Distributor in a sponsorship line up to the Company. Conversely stated, it is the line of Sponsors that links any particular Distributor to the Company.