



USANA.

UNITED STATES
TERMS & POLICIES

Effective Date: September 25, 2019

TERMS & POLICIES

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1. APPLYING TO BECOME AN ASSOCIATE

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

- Complete, sign, and return an online or hardcopy Associate Agreement to the Company;
- Provide a valid tax ID number and contact information;
- Purchase a Welcome Kit.

All information on how to complete an Associate Agreement and obtain a Welcome Kit can be received from your Sponsor. You are not required to purchase any Products or materials to become an Associate.

2. MINIMUM AGE

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

3. TEMPORARY ENROLLMENT

A new Enrollment will be considered temporary for thirty (30) days, during which time the Associate must agree to the terms of the Associate Agreement. If an Associate has not agreed to the terms of the Associate Agreement by the end of the 30-day temporary enrollment period, the Associate's account will be placed on hold and may be terminated.

4. ASSOCIATE BENEFITS

Associates receive the following benefits and rights:

- Purchase USANA Products at the Associate price;
- Participate in the USANA Compensation Plan (and receive bonuses and commissions, to the extent eligible);
- Sponsor other individuals as Preferred Customers or Associates into the USANA business and thereby build a Team and progress through the USANA Compensation Plan;
- Sell USANA Products and profit from these sales;
- Participate in promotional and incentive contests and other USANA programs;
- Attend USANA conventions and events around the world (at your own expense); and
- Participate in USANA-sponsored support, service, training, motivational, and recognition functions upon payment of appropriate charges, if applicable.

An Associate's continued participation in any of the above activities or acceptance of any other benefits under the Agreement constitutes acceptance of the Agreement and these Terms & Policies, and any and all renewals and amendments thereto.

5. INDEPENDENT CONTRACTOR STATUS

Associates are independent contractors. The Agreement and these Terms & Policies do not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Associate. Associates are responsible for paying their own income and employment taxes, and for their own business expenses.

Associates will not be treated as employees for State or Federal Tax purposes or for any other reason.

6. TERMINATION BY ASSOCIATE

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

- **Written Notice.** An Associate may cancel his/her Business at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address.
- **Failure to Renew.** Failure to renew a business.

7. FAILURE TO RE-AFFIRM ADHERENCE TO THE AGREEMENT

From time to time Associates may be prompted to re-affirm the application of, and adherence to, the Agreement. Failure to agree to the Agreement may result in the termination of Associate's Business.

8. ADHERENCE TO COMPENSATION PLAN

Associates must adhere to the terms of the Compensation Plan as set forth in Official USANA Material. Associates shall not:

- Require or encourage other current or prospective Customers or Associates to participate in USANA in any manner that varies from the Compensation Plan;
- Require or encourage other current or prospective Customers or Associates to execute any agreement or contract other than official USANA agreements and contracts in order to become an Associate or Preferred Customer;
- Require or encourage other current or prospective customers or Associates to make any purchase from, or payment to, any individual or other entity to participate in the Compensation Plan, other than those purchases or payments identified in Official USANA Material;
- Sell, or attempt to sell, lead lists to other Associates; or
- Create their own Enrollment form. Associate Enrollments may only occur through USANA's corporate website or an Associate's USANA personal webpage. All other websites must link only to the Associate's USANA Personal Webpage.

9. ASSOCIATE-CREATED MATERIAL

Associates may produce their own advertising or training materials, provided the materials comply with all of the provisions of these Terms & Policies, including that the material:

- Clearly identifies that the material is created by an Independent Associate by visibly adding USANA's Independent Associate logo to the material, which is available for download from The Hub (USANA's Back Office software). Associates must not use any official USANA corporate logo on their personal advertising or training materials;
- Is produced in a professional and tasteful manner and does not reflect poorly upon USANA, including containing any material considered to be, in the Company's discretion, discourteous, deceptive, misleading, illegal, indecent, unethical, offensive, or immoral.
- Is truthful in content, makes no deceptive income or lifestyle claims, or therapeutic product claims;
- Does not imply an employment opportunity;
- Follows all laws and rules of conduct that apply to advertising and ethical business practices;
- Is not in violation of any intellectual property rights of the Company or any third party;
- Does not imply that such material has been approved, endorsed, produced, or recommended by USANA;
- Is not sold to other Associates for a profit; and
- Is only promoted within the Associate's own Upline and Team.

To ensure full compliance with USANA's advertising policy, Associates who wish to create independent advertising material must complete and abide by the terms of these Terms & Policies and the Advertising Certification, which can be found in The Hub. Completion of the certification authorizes Associate to produce advertising material. USANA requires that the URL of any Associate-created website or blog be submitted to the Ethics & Education department prior to the site going live, or as soon as any changes are made to an existing approved site. Violations may subject an Associate to disciplinary actions. Should an Associate want to have his/her personally created advertising material reviewed by USANA's Ethics and Education Department, it can be submitted to ethics@usana.com. USANA reserves the right to review and require editing or removal of material at its discretion.

10. PRODUCT CLAIMS

Associates shall not make any claim that USANA Products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any disease, symptoms of a disease, sickness, or injury. Prohibited claims by Associates shall render USANA's Products, liability insurance unavailable to the Associate.

Associates should not claim or imply that any Product is registered with or approved by the U.S. Food and Drug Administration ("FDA") or any other regulatory authority.

11. INCOME REPRESENTATIONS

When presenting or discussing the USANA opportunity or Compensation Plan, Associates may not make deceptive income claims, representations, or testimonials (collectively "Income Claims"). If an Associate makes an income representation or provides an income testimonial, it must strictly adhere to each of the following requirements to ensure it is not deceptive:

- Income Claims must reflect only the income actually earned by the Associate in the current year or in the immediately preceding calendar year;
- Associates may not show checks, copies of checks, or bank statements;
- The Associate must provide or display the most recent version of USANA's Income Disclosure Statement (the "IDS"), located at usaincome.com;
- The Associate must not suggest in any way that an individual is likely to achieve extraordinary financial results as reflected by the data on USANA's IDS; and
- Associates may not alter or verbally embellish the IDS in any way, including but not limited to adding any text to the IDS.

Associates may not make deceptive "lifestyle" Income Claims (Lifestyle Claim). A Lifestyle Claim is a statement or depiction that implies or states that an Associate can achieve nontypical results. Examples of deceptive Lifestyle Claims include, but are not limited to, representations (either through audio or visual medium) that an Associate was able to quit his/her job, acquire material possessions, or visit vacation destinations by virtue of his/her Business. A lifestyle claim is deceptive unless:

- The Associate earned the depicted lifestyle exclusively through his/her USANA income and;
- The Associate making the Lifestyle Claim qualifies the claim with an appropriate income disclaimer and provides the current version of USANA's IDS.

When presenting or discussing income or the Compensation Plan, Associates must make it clear to prospects that financial success in USANA requires commitment, effort, and sales skill. An Associate must never represent that one can be successful without diligently applying themselves or that earnings are guaranteed.

12. SOCIAL MEDIA

Associates are responsible to ensure all content and material they produce and/or post, as well as all postings on any social media site they own, operate, or control, is in compliance with these Terms & Policies. Examples of social media platforms include but are not limited to blogs, Facebook, Instagram, Twitter, LinkedIn, YouTube, WeChat, or Pinterest.

13. MINIMUM ADVERTISED PRICE

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

14. EMAIL SOLICITATION

Associates are prohibited from sending unsolicited email in the promotion of USANA, its Products, and Business Opportunity to individuals who have not specifically requested such information. Requests for emails to cease by email recipients must be honored immediately.

15. MEDIA INQUIRIES

Associates may not promote the Products or Business Opportunity through interviews with the media, articles in publications, news reports, blogs, or any other public information, trade, or industry information source, unless USANA approves it in advance. If an Associate receives an inquiry from any member of the media or media outlet, he/she should refer the inquiry to ethics@usana.com.

16. INTELLECTUAL PROPERTY

USANA is the sole and exclusive owner of all USANA intellectual property, including USANA Product names, trademarks, trade names, trade dress, patents, copyrights, and trade secrets (collectively "Intellectual Property"). Associates are granted a limited license to utilize Intellectual Property to advertise USANA's products and to promote their USANA Business, in accordance with these Terms & Policies. Associates may not use any Intellectual Property for any other purpose. Each Associate's limited license to use Intellectual Property terminates immediately upon the termination (for any reason, whether termination is voluntary or involuntary) of the Associ-

ate's Business. Upon the termination of the limited license, the former Associate shall immediately discontinue using Intellectual Property, return all hard copies of Intellectual Property to USANA, and permanently delete any electronic copies of Intellectual Property. Associates may not:

- Attempt to register or sell any Intellectual Property in any country;
- Use any Intellectual Property, or any derivative or confusingly similar variation thereof, in any legal entity name, website URL, social media handle or username, or email address;
- Record (audio or visual) or reproduce materials from any USANA corporate function or presentation by any USANA representative, employee, or other Associates;
- Publish, or cause to be published, in any written or electronic media, the name, photograph or likeness, copyrighted materials, or property of individuals associated with USANA, without express written authorization from the individual and/or USANA; or
- Publish, or cause to be published, in any written form or electronic media, the copyrighted materials or property of USANA, without express written authorization from USANA.

17. USE OF ASSOCIATE NAME, LIKENESS, AND IMAGE

Associates grant USANA a perpetual and irrevocable license to use the Associate's name, testimonial, picture, photograph, image, video and/or audio recording, as well as any other likeness of the Associate in USANA's promotional material. **Associates waive all rights of publicity and further waive all rights to compensation for USANA's use of such material.**

18. SERVICE OUTLETS

Associates may display and retail Products only in facilities that are primarily service-related businesses (defined as businesses where services are the primary source of revenue). Approved facilities include, but are not limited to, health spas, beauty shops, and physicians' and chiropractors' offices. No Product banners or other USANA advertising material may be displayed to the general public in a manner as to attract the general public into the establishment to purchase Products. Associates are not allowed to market or sell Products in any other type of retail outlet (i.e. non-service related businesses where services are not the primary source of revenue). Prohibited retail outlets include, but are not limited to, brick and mortar retail outlets and kiosks.

19. ONLINE SALES

Associates may sell Products via online sources such as a social media site or website under control of the Associate. Online sales are NOT permitted on internet classified ad sites, auction sites, e-commerce shopping sites, or order fulfillment sites including, but not limited to, Amazon, eBay, Craigslist, and Taobao. Promotion of Products through any approved online medium must comply with all promotion and marketing policies in these Terms & Policies. If an Associate sells Products through his/her social media site(s), the sales volume generated through the site(s) must be assigned to one of the Business Centers operated by the Associate whose social media site generated the sale; the Sales Volume may not be assigned to a Business Center of any other Associate nor may Sales Volume from a single order be spread among multiple Business Centers held by the Associate.

20. PARTICIPATION IN ANOTHER DIRECT SELLING COMPANY

Associates may participate in other direct selling, network marketing, or multi-level marketing ventures (collectively, "Direct Sales") provided they remain compliant with these Terms & Policies. However, if an Associate participates in another Direct Sales company, the Associate acknowledges and agrees that, with respect to the Associate's Business:

- The Associate may not recruit current Associates or Customers to participate in his/her non-USANA Direct Sales business (See "Unauthorized Recruiting");
- The Associate may not have access to USANA confidential Customer information, including, but not limited to, Customer lists included in the Business Accelerator Suite;
- The Associate may not participate in USANA's Leadership or Elite Bonus programs. Accepting these bonuses while participating in another Direct Sales company is a material breach of the Agreement regardless of the Associate's intent of such participation;
- The Associate must notify USANA within five (5) business days of enrolling in any other Direct Sales company.

Participation is limited to enrolling as a distributor or representative and not the mere purchase of product as a customer.

21. UNAUTHORIZED RECRUITING

During the term of the Agreement, and for a period of twelve (12) months after the expiration or termination of the Agreement by either party, for any reason, an Associate may not directly or indirectly Recruit any Associates or Customers to participate in any way in any other Direct Sales business. The

term "Recruit" means the direct or indirect, actual or attempted, sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way. This includes any action that would cause the termination or curtailment of the business relationship between any Associate or Preferred Customer and USANA.

During the term of the Agreement, and for a period of twelve (12) months after the expiration or termination of the Agreement by either party, for any reason, an Associate shall not use any website, blog, or other social media site on which they discuss or promote, or have discussed or promoted, the USANA business or Products to promote any other Direct Sales company, its product or services. This includes any promotion that may be foreseen to draw an inquiry from any other Associates or Customers about any other Direct Sales company. Such conduct constitutes improper solicitation even if the Associate's actions are in response to an inquiry made by another Associate or Customer.

The Company has provided Associates with access to its confidential information, which is valuable and confidential to the Company, and specialized training and sales and marketing strategies. The Associate thereby agrees that the provisions of this Section are fair and reasonable, necessary to protect the business of the Company and its affiliates, and that these provisions do not preclude the Associate from earning a living.

22. COMPETING PRODUCTS AND NON-SOLICITATION.

In addition to his/her obligations in Section 21, an Associate shall not directly or indirectly sell, offer to sell, or promote the products of any Direct Sales company (other than USANA) to any current Associate or Customer through any means, including, but not limited to, the use of any website, blog, or other social media site on which they discuss or promote, or have discussed or promoted, the Business Opportunity or Products. This includes any promotion that may reasonably be foreseen to draw an inquiry from other Associates or Customers to inquire about any other Direct Sales company products. This conduct constitutes improper solicitation even if the Associate's actions are in response to an inquiry made by another Associate or Customer.

Associates must not use their Business and connections to Associates or Preferred Customers to build another non-USANA business, either directly or indirectly, for themselves or a third party. By way of example and not limitation, the following is deemed to be unauthorized promotion in conjunction with USANA:

- Stating or implying that enrolling in USANA is a requirement of joining another business opportunity or buying another product or service;

- Stating that non-USANA products or opportunities are recommended, encouraged, or essential to having success in USANA; and
- Specifically targeting or approaching Associates or Preferred Customers to participate in any non-USANA endorsed training program.

23. CROSSLINE RAIDING

Crossline raiding is strictly prohibited. “Crossline Raiding” is defined as the enrollment or attempted enrollment of an individual or entity that is a current Preferred Customer or has an Associate Agreement on file with USANA, or who has had such an Agreement within the preceding six (6) calendar months within a different line of Sponsorship.

- Associates may not demean, discredit, or invalidate other Associates in an attempt to entice another Associate to become part of the first Associate’s Team.
- Associates must not promise more success in their own Team over another.
- If an Associate is approached by, or approaches a crossline Associate, he/she must direct and encourage the Associate back to his/her original Upline;
- Where a prospective Associate or Preferred Customer accompanies an Associate to a USANA meeting or function, no other USANA Associate may Recruit the prospect to Enroll in USANA or any other Direct Sales opportunity for a period of fourteen (14) days or unless and until the Associate who brought the prospect to the function advises the other Associate that the prospect has elected not to Enroll in USANA and that the Associate is no longer Recruiting the prospect to Enroll in USANA, whichever occurs first. Violations of this policy are especially detrimental to the growth and sales of other Associates’ Businesses and to USANA’s business.

24. NON-DISPARAGEMENT

Associates must not disparage, ridicule, discredit, mock, demean, denounce, or act in an unfair manner toward USANA, other Associates, Products, the Compensation Plan, USANA’s employees, other companies (including competitors), or other companies’ products, services, or business activities. As used in this paragraph, “disparaging” means anything unflattering and/or negative, whether such communication is true or untrue. Nothing in this Section shall be construed to prohibit an Associate from filing a charge or complaint, including a challenge to the validity of the waiver provision of these Terms & Policies, with the FDA or other local enforcement agency, or participating in any investigation conducted by the FDA or other local enforcement agency, though Associates have waived any right to monetary relief, or otherwise complying with Associates’ obligations to provide truthful

testimony or information as required by a court or by statute.

25. ONE BUSINESS PER ASSOCIATE

An Associate may operate, receive compensation from, or have an ownership interest, legal or equitable, as a member, sole proprietorship, shareholder, trustee, or beneficiary in only one Business. However, notwithstanding this rule, an Associate’s spouse may also Enroll as an Associate and operate a second Business as long as the spouse’s Business is placed below one of the Associate’s Business Centers and not in a Crossline Organization. The spouse’s business must be a bona fide independent business that is operated by the spouse.

26. BUSINESS TRANSFERS

Associates may not assign any benefit of these Terms & Policies or the Agreement or in any manner delegate its duties or obligations thereunder to any third party without the prior consent of USANA. Any attempt by an Associate to transfer his/her Business or other rights to a third party without USANA’s prior approval shall be null and void. The following are the conditions of any transfer request:

- Be an Associate in good standing and not in violation of any of the terms of these Terms & Policies or the Agreement;
- The transfer must not be to any individual or entity that is a current Associate or who has an ownership interest in any Business, or to any individual or entity that has previously had any ownership interest in, or operated, a Business; and
- No changes in line of Sponsorship can result from the transfer of a Business.

Satisfying the above criteria does not guarantee that a Business transfer will be authorized. Before transferring any Business to a third party, USANA shall have the right of first refusal to acquire the Business. USANA shall have the right to acquire the Business for the lesser of:

- a. The same terms as offered to, and accepted by, a third party who is ready, willing, and able to perform; and
- b. The fair market value of the business as ascertained by a professional business appraiser who is mutually agreed upon by USANA and the Associate. The cost of acquiring an appraisal shall be borne by USANA.

USANA shall have fourteen (14) days from the date of the receipt of the Transfer of Distributorship Form in which to notify the Associate of its intent to exercise its right of first refusal. Notwithstanding USANA’s failure to exercise its right of first refusal, the Company nevertheless retains the discretion to authorize or deny the Associate’s Business transfer request.

27. SEPARATION OF BUSINESS PARTNERS

Should a jointly held Business be dissolved or transferred to a subset of the original owners, the individual(s) or entities that relinquished ownership in the original Business may apply as new Associates only after six (6) months of no USANA business activity, which includes, but is not limited to, training, promotion of Product or Business Opportunity, and Recruiting.

28. SPONSOR/PLACEMENT CHANGES

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

- Where an Associate has been fraudulently or unethically induced into joining USANA;
- Where an incorrect Placement and/or Sponsor was made due to an Associate error, a change in Placement and/or Sponsor can be made to correct the error where a request for a change is made within ten (10) days of Enrollment;
- If an Associate's Business is inactive for six (6) consecutive months the Associate may request that he/she be moved to another Placement. For purposes of this policy only, "inactive" means that no Product order is placed under any of the Associate's Business Centers.

If an Associate terminates his/her Business in writing, the Associate may rejoin under the Sponsor of his/her choice after completing a waiting period of six (6) consecutive months, during which time the former Associate may not engage in any USANA business activity (as defined in Section 27) either for himself/herself or indirectly for another Associate.

29. CONFLICTING ENROLLMENTS

Every prospective Associate has the ultimate right to choose his/her own Sponsor. As a general rule, the first Associate who does meaningful work with a prospective Associate is considered to have first claim to Sponsorship. In the event that a prospective Associate, or any Associate on behalf of a prospective Associate, submits more than one Associate Agreement to USANA listing a different Sponsor on each, the Company will consider valid the first Associate Agreement that it receives, accepts, and processes, unless the prospective Associate requests otherwise within ten (10) days. If there is any question concerning the Sponsorship of an Associate, the final decision will be made by USANA.

30. ANTI-MANIPULATION

Manipulating the Compensation Plan by an Associate or any Associate working with another third party is strictly prohibited.

Manipulation includes, but is not limited to:

- Fictitious Enrollments, including using false or incomplete contact information or identification, or information that cannot be verified using reasonable efforts;
- Enrolling individuals who were not aware of their Enrollment or who have little or no knowledge about their Business;
- Enrolling individuals as Associates who wished to be Customers only;
- Excessive Product purchases, or gifting of Product, as determined by the Company in its discretion, solely for the purpose of qualifying for commissions, bonuses, or advancement in the Compensation Plan. An Associate may not purchase more Product than he/she can reasonably resell to end consumers or personally consume in any Four-Week Rolling Period, nor encourage others to do so;
- Abusive returns for refunds; and
- Participating in Downline purchasing (placing a sales order in a Business Center other than where the sale was generated).

Associates agree that the Company can adjust or recover any compensation awarded as a result of Compensation Plan manipulation, regardless of whether the recipient of the compensation was complicit in the manipulation. The Associate agrees to return any monies that the Company determines was awarded as a result of Compensation Plan manipulation or complete any necessary paperwork allowing the Company to withhold the monies from future payments to the Associate.

31. ACTIONS OF THIRD PARTIES

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

32. INTERNATIONAL BUSINESS

Associates may sell and promote Products, opportunity, and services or Recruit or Enroll any prospective Associate or Customer only in countries in which USANA is approved for business, as announced in official USANA communications. If an Associate desires to conduct business in an authorized country other than the one in which the Asso-

ciate is enrolled and a resident, the Associate must comply with all applicable laws and regulations for that country, including selling only those Products that are specifically designed, formulated, labeled, and approved for that particular market.

33. BABY-CARE

Notwithstanding Section 32, only Chinese nationals registered with BabyCare as a BabyCare Associate may do business in China¹. Associates not registered with BabyCare may not do business activities in China, which include, but are not limited to, training, promotion, and recruiting in China. Associates may not send any USANA Products to China.

34. COMPLIANCE WITH THE LAW

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

35. REPACKAGING AND RELABELING PROHIBITED

Associates may not relabel, alter, or tamper with the labels on any USANA Products, information, materials, packaging, or programs in any way. USANA Products must be sold in their original packaging only. Any such tampering will invalidate any products liability insurance coverage from extending to the Associate and may subject the Associate to severe civil and criminal penalties.

36. RETAIL SALES QUOTA

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

37. COMMISSIONS AND ADJUSTMENTS

Commissions and bonuses are paid on Product sales. Accordingly, USANA will adjust commissions and bonuses earned from any sale which is subsequently returned or charged back. USANA will deduct the Sales Volume attributable to the returned/charged back Product from the Upline Associate's Group Volume after a refund/chargeback is processed.

USANA pays commissions weekly. An Associate must review his/her commissions and report any errors or discrepancies to USANA within thirty (30) days from the date of the commission check. Errors or discrepancies that are not brought to USANA's attention within the 30-day period will be deemed waived by the Associate.

¹For purposes of this provision, Hong Kong is excluded from China.

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

38. SALES TAX

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

39. SATISFACTION GUARANTEE

USANA offers an unconditional moneyback satisfaction guarantee on all Products or Sales Tools, including the Welcome Kit. If for any reason a buyer is not satisfied with any Product or Sales Tools, the buyer may return the Sales Tools or any unused Product within 30 days from the date of purchase for an exchange or a 100% refund, less shipping.

Buyers may also return any Product for up to one year after the date of purchase for a 100% refund (less shipping charges) if the Product is in resellable condition. Product is in resellable condition if it is unopened, unused, and packaging and labeling have not been altered or damaged. Product that is clearly identified at the time of sale as nonreturnable, closeout, discontinued, or as a seasonal item, or which is within six (6) months of its listed "use by" date, is not in resellable condition.

Sales Tools, including the Welcome Kit, may be returned to the Company for a 100% refund if they are in currently marketable condition. To be in currently marketable condition, the Sales Tool(s) must:

- Be unopened and unused;
- Not be damaged or altered; and
- Be in a condition such that it is reasonable to resell them at regular price.

The Associate seeking the refund must have cancelled his/her Associate Agreement and must have purchased the Sales Tools within twelve (12) months from the date on which he/she cancelled his/her Business.

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

Associates must honor this money-back guarantee to their personal retail Customers. If, for any reason, an Associate's retail Customer is dissatisfied with any USANA Product purchased from the Associate, such retail Customer may return the Product to the Associate from whom the Product was purchased. If the retail Customer requests a refund, the Associate who sold the Product to the retail Customer must immediately refund the retail Customer's purchase price (less shipping charges). Retail Customers must return Product to the Associate who sold it to them; USANA will not accept returned Product directly from retail Customers. The Associate should then contact Customer Service to request a refund/

replacement. All retail Customers must be provided with a digital receipt or with two (2) hardcopies of an official USANA Retail Sales Receipt at the time of the sale.

The satisfaction guarantee does not apply to Products and Sales Tools purchased from individuals who are not Associates or to Products purchased through unauthorized channels, including, but not limited to, Amazon or eBay.

40. RESCISSION RETURNS

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

41. ABUSIVE RETURNS

If USANA determines that an Associate is abusing the satisfaction guarantee, the Associate will be refunded according to Section 39, and the Associate's Business may be terminated.

42. TERM AND RENEWAL OF A USANA BUSINESS

The term of an Associate Agreement is one year (subject to prior termination pursuant to these Terms & Policies). USANA charges Associates an annual business renewal fee plus any applicable taxes. USANA will automatically charge the fee to the Associate's credit card or bank account on file with USANA on the anniversary date of the Associate's application. USANA reserves the right to terminate all Associate Agreements upon thirty (30) days' notice if the Company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its Products and/or services via direct selling channels.

43. INVESTIGATION AND NOTICE OF POLICY VIOLATIONS

If USANA believes, or has reason to believe, that an Associate has violated, or is violating, a policy, including, but not limited to, these Terms & Policies, the Ethics and Education Department will conduct an investigation into the alleged conduct. The investigation findings will be submitted to the Ethics Committee for a decision. If upon review of the investigation the Ethics Committee deems it appropriate to take disciplinary action, the Ethics and Education Department will notify the Associate of its conclusion(s) and the disciplinary measures deemed appropriate, up to and including termination of an Associate's Business. Any written notices may be issued in any commercially reasonable means includ-

ing, but not limited to, email sent to the Associate's email address on file with the Company.

44. DISCIPLINARY MEASURES

Violation of these Terms & Policies, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an Associate that the Company reasonably believes may damage its reputation or goodwill, may result in suspension or termination of an Associate's Business, and/or any other disciplinary measure that USANA deems appropriate to address the misconduct. In situations deemed appropriate by USANA, the Company may institute legal proceedings for monetary and/or equitable relief.

45. APPEAL PROCESS

An Associate or former Associate may appeal disciplinary action against his/her business to the USANA Ethics Appeal Committee. The Associate's appeal must be in writing and must be received by the Ethics & Education Department within fifteen (15) calendar days of the date that the Associate received notice of the disciplinary action. If the appeal, including all supporting material, is not received within the 15-day period, the disciplinary measure will be final. If the Associate files a timely appeal, it will be reviewed by the Ethics and Education Department and submitted to the Ethics Appeals Committee. The Ethics Appeals Committee will review and reconsider the disciplinary measures as decided by the Ethics Committee, consider any other appropriate action, and notify the Associate of its decision. This decision of the Ethics Appeals Committee will be final. Prior to bringing any legal action, Associates must fully exhaust the USANA appeals process.

46. EFFECT OF TERMINATION

Following the effective date of an Associate's termination of his/her Business for any reason, the former Associate will have no right, title, claim, or interest to his/her former Business, to the Team which the former Associate operated, or any bonus and/or commission from the sales generated by his/her former Team. Following Associate's termination for any reason, the former Associate will not represent him/herself as a USANA Associate, will not have the right to sell USANA Products or services, must remove any USANA sign from public view, and must discontinue using any other materials bearing any USANA logo, trademark, or service mark.

An Associate whose Agreement is canceled will receive commissions and bonuses only for the last full calendar week prior to cancellation. However, if monies were held in the course of an investigation, the Associate is not entitled to receive those monies regardless of whether the cancellation was voluntary or involuntary. The Associate has no other

right to receive commissions or bonuses following termination.

47. PROTECTION OF CONFIDENTIAL INFORMATION

USANA's Confidential Information includes, but is not limited to, lists of Associates and/or Customers maintained by USANA and all trade secret information that may come into the possession of an Associate or the data included in Genealogy Reports. An Associate may not use USANA's Confidential Information for any purpose other than for developing his/her Business. An Associate will not, on the Associate's own behalf or on behalf of any third party:

- Disclose any Confidential Information to any third party; or
- Use the reports, or the information contained in the reports, for any purpose other than to build or operate the Associate's Business.

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

48. INDEMNIFICATION

The Associate agrees to indemnify and hold USANA harmless with respect to any claims, damages, losses, fines, penalties, judgments, settlements, or other expenses, including but not limited to reasonable attorneys' fees, arising from any breach by the Associate of the Agreement or these Terms & Policies, misuse of Products, violation of law, and any other act or omission that occurs in the course and scope of conducting his/her Business. The provisions of this section survive the termination of the Associate Agreement.

49. AMENDMENTS

USANA may, in its discretion, from time to time amend these Terms & Policies or the Agreement. Amendments will be effective thirty (30) days after notice of the amendment is posted in the Associates' Hub page. Associates agree that thirty (30) days after such notice, any modification becomes effective and is automatically incorporated into the Terms & Policies or the Agreement as an effective and binding provision. By continuing to act as an Associate, engaging in any business activity, or accepting any commissions or bonuses after the modifications have become effective is acknowledgement and acceptance of the new Terms & Policies or the Agreement terms. Amendments shall not be retroactive to conduct that occurred prior to the effective date of the amendment.

50. ASSUMPTION OF RISK

An Associate understands that while traveling to or from Company-related meetings, events, activities, workshops, retreats, or gatherings, he/she does so as a part of his/her own independent business and not in any manner as an employee, agent, or functionary of the Company, notwithstanding the fact that his/her attendance may be based in whole or in part by invitation from, or agreement with, the Company to attend. He/she assumes all risk and responsibility for such travel.

51. CHANGE OF SPONSORSHIP WAIVER

If an Associate improperly changes his/her Sponsor, USANA reserves the sole and exclusive right to determine the final disposition of the Team that was developed by the Associate in his/her second line of Sponsorship. **Associates waive any and all claims against USANA, its officers, directors, owners, employees, and agents that relate to or arise from USANA's decision regarding the disposition of any team that develops below an Associate who has improperly changed his/her Sponsor.**

52. INTEGRATED AGREEMENT

The Agreement, which incorporates the Terms & Policies and Compensation Plan, is the final expression of the understanding and agreement between Associates and the Company concerning all matters touched upon in the Agreement and supersedes all prior and contemporaneous agreements of understanding (both oral and written) between the parties. The Agreement invalidates all prior notes, memoranda, demonstrations, discussions, and descriptions relating to the subject matter of the Agreement. The Agreement may not be altered or amended except as provided in this Agreement. The existence of the Agreement may not be contradicted by evidence of any alleged prior contemporaneous oral or written agreement. Should any discrepancy exist between the terms of the Agreement and verbal representations made to an Associate by any Company employee or another Associate, the express written terms and requirements of the Agreement will prevail.

53. DOCUMENTS INCORPORATED BY REFERENCE

These Terms & Policies and the Compensation Plan are incorporated into the Associate Agreement. These documents, in their current form and as may be amended by USANA in the future, are collectively referred to as the "Associate Agreement" or the "Agreement."

54. FORCE MAJEURE

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

55. SEVERANCE

If any provision of the Terms & Policies or the Agreement as they currently exist or as may be amended is found to be invalid, illegal, or unenforceable for any reason, only the invalid provision will be severed from the Terms & Policies and the Agreement; the remaining terms and provisions will remain in full force and effect and will be construed as if such invalid, illegal, or unenforceable provision never comprised a part of the Terms & Policies and the Agreement.

56. WAIVER

No failure on the part of USANA to exercise, and no delay in exercising, any right or remedy under the Terms & Policies or the Agreement will operate as a waiver therefore; nor will any single or partial waiver of a breach of any provision of the Terms & Policies or the Agreement operate or be construed as a waiver of any subsequent breach; nor will any single or partial exercise of any right or remedy of the Terms & Policies or the Agreement preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by law. Only in rare circumstances will a policy be waived, and such waiver must be in writing and signed by an authorized officer of USANA. The waiver will apply only to that specific case.

57. NO RELIANCE

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

58. HEADINGS

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

59. TRANSLATIONS

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

60. CAPITALIZED TERMS

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

61. PERSONAL DATA AND RIGHT OF PRIVACY

From time to time it will be necessary for you to provide USANA with personal information for purposes related to your Business or your application to become an Associate. These purposes may include:

- Processing your Associate Application;
- Processing, fulfilling, and notifying you of your product order status;
- Developing Genealogy Reports or other related business reports;
- Providing Associate services such as planning and facilitating Associate meetings and training;
- Administering Associate benefits;
- Developing and implementing policies, marketing plans, and strategies;
- Publishing personal information in USANA newsletters, promotional materials, and company and intragroup communications;
- Providing references;
- Complying with applicable laws and assisting with any governmental or police investigation; and
- Other purposes directly relating to any of the above.

61.1 COMMUNICATING PERSONAL INFORMATION TO THIRD PARTIES

Where permitted by the provisions of applicable law, USANA may provide your personal information to the following third parties:

- Employees, directors, and managers of USANA and its local and foreign associated/affiliated companies;
- Any agent, contractor, supplier, vendor, or other third party who provides administrative, advertising, printing, or other services to USANA or its affiliated companies, including, but not limited to, distribution centers, external auditors, medical practitioners, trustees, insurance companies, actuaries, and any consultant/agent appointed by USANA or its affiliated companies to plan, provide, and/or administer Associate benefits;
- Sponsors and upline business leaders who may need access to Downline Associate personal information in order to monitor sales activity and business development in their personal sales groups. However, USANA does not share credit card information or Social Security or Social Insurance Numbers with any third party without your permission or unless required by law or valid court order;
- Persons or organizations seeking references.

61.2 ASSOCIATE ACCESS TO PERSONAL INFORMATION

You have the right to request and obtain from USANA the personal information USANA has on file about you and correct any data that is inaccurate (unless an exception applies). You may also request

USANA to inform you of the type of personal information maintained by USANA. Requests for access to and correction of personal data or information about USANA's policies and practices regarding personal data should be addressed in writing to USANA Customer Service.

62. MANDATORY ARBITRATION OF MOST DISPUTES BETWEEN USANA AND ASSOCIATES; WAIVER OF CLASS ACTION LITIGATION

All disputes and claims relating to USANA shall be submitted for resolution to binding arbitration in Salt Lake City, Utah, in accordance with the rules of the American Arbitration Association ("AAA"), unless the laws of the state or province in which the Associate resides expressly require otherwise. This provision covers disputes and claims involving USANA affiliates and all of their respective shareholders, officers, directors, employees, Associates, contractors, representatives, and agents, its Compensation Plan, its Products, the rights and obligations of its Associates and USANA, any applicable law, relating to Product purchase(s) or performance, either of an Associate or of USANA under the Associate Agreement, or any other dispute, claim, or cause of action.

In agreeing to arbitrate all claims hereunder, Associates hereby recognize and agree to waive the right to a trial in court and/or by a jury. Any arbitration shall take place on an individual basis; class or representative actions shall not be permitted. However, nothing in this Arbitration Provision shall prevent an Associate from bringing an individual action for money damages of \$10,000 or less (but no other relief) in small claims court of appropriate jurisdiction where permitted by law ("Small Claims Court Claims"). Any dispute regarding whether any claim is subject to arbitration or relating to the interpretation or enforceability of this Arbitration Provision shall be resolved by the AAA.

The arbitration shall be conducted on a strictly confidential basis, and Associates shall not disclose the existence or nature of any claim, defense, or argument; any documents, correspondence, pleadings, briefing, exhibits, arguments, testimony, evidence, or information exchanged or presented in connection with any claim, defense, or argument; or any rulings, decisions, or results of any claim, defense, or argument (collectively, "Arbitration Materials") to any third party, with the sole exception of the Associate's legal counsel, who the Associate shall ensure complies with these confidentiality terms.

For claims of \$1,000,000 or less, there shall be one neutral arbitrator who shall be an attorney at law with at least ten (10) years of expertise in transactional law and who is knowledgeable in the direct selling industry, selected from the panel which the

AAA provides. For claims greater than \$1,000,000, there shall be a panel of three neutral arbitrators, comprised of at least one former state or federal judge and at least one who is an attorney with at least ten (10) years of expertise in transactional law and who is knowledgeable in the direct selling industry. The selection of arbitrators will be conducted in accordance with AAA rules.

The arbitrator will have no authority to award punitive damages, indirect damages, consequential damages, special damages, or any other damages or civil penalties not measured by the prevailing Party's actual damages, and may not, in any event, make any ruling, finding, or award that does not conform to the provisions of the Terms & Policies or the Associate Agreement. The standard of proof in any arbitration shall be clear and convincing evidence.

Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including without limitation legal and filing fees. However, if any damages awarded are greater than \$1,000,000 or the arbitrator(s) determines that the claims are frivolous, the arbitrator(s) shall require that the losing party pay the prevailing party's costs and expenses of arbitration, including legal, expert, and filing fees and costs.

Any arbitration proceeding under this agreement to arbitrate must be commenced no later than one year after the controversy or claim arose. Failure to timely commence an arbitration proceeding constitutes both an absolute bar to the commencement of an arbitration proceeding with respect to the controversy or claim, and a waiver of the controversy or claim. The arbitration shall start no later than three (3) months from the date the arbitrator(s) is appointed.

This agreement to arbitrate shall survive any cancellation or expiration of the Associate Agreement.

The decision of the arbitrator shall be final and binding upon the parties and may, if need be, be reduced to a judgment in any court of competent jurisdiction. However, an appeal will be permitted if any damages awarded are greater than \$2,000,000. In such instances, the AAA rules will govern the appeal.

There shall be no interlocutory appeals to any court, or any motions to vacate any order of the arbitrator that is not a final award dispositive of the arbitration in its entirety, except as required by law. The parties agree to take all steps necessary to protect the confidentiality of the Arbitration Materials in connection with any court proceeding, agree to use their reasonable best efforts to file any court proceeding permitted herein and all documents containing confidential information under seal, and agree to the entry of an appropriate protective order encompassing the confidentiality terms of this Associate Agreement.

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

The existence of any Associate claim or cause of action against USANA does not preclude USANA from enforcing the Associate's covenants and agreements contained in the Associate Agreement.

Associates who do not want to be subject to this Arbitration Provision may opt out by notifying the Company in writing of their desire to opt out of this Arbitration Provision within 30 days of the Associate's execution of the Associate Agreement. Acceptable forms of notice include sending an email to ArbitrationOptOut@us.usana.com or by sending a letter dated and signed by the Associate to the following address:

USANA Health Sciences, Inc.
3838 West Parkway Boulevard
Salt Lake City, Utah 84120
Attn: General Counsel

Either email or letter must clearly state the Associate's name and the intent to opt out of this Arbitration Provision. Associates will not be subject to retaliation in exercising their rights to assert claims or optout of the Arbitration Provision.

Jurisdiction and venue of any matter not subject to arbitration shall reside in Salt Lake County, State of Utah or in the United States District Court, in and for the District of Utah unless the laws of the state or province in which the Associate resides expressly require otherwise. The parties waive any claim that such jurisdiction is an inconvenient or inappropriate forum. By signing the Associate Application Agreement, all Associates consent to jurisdiction within these two forums. The law of the State of Utah, without consideration of choice of law principles, shall govern disputes involving the Associate Agreement. Small Claims Court Claims shall not be subject to the jurisdiction and venue requirements of this Provision. The law of the State of Utah, without consideration of choice of law principles, shall govern Small Claims Court Claims.

Violation of any of the terms and conditions of the Associate Agreement, or any illegal, fraudulent, deceptive, or unethical business conduct by an Associate may result, at USANA's discretion, in one or more of the following sanctions:

- A verbal or written warning, clarifying the meaning and application of a specific policy or procedure, and advising that a continued breach will result in further sanctions;

- Probation, which may include requiring an Associate to take remedial action and will include followup monitoring by USANA to ensure compliance with the Agreement;
- Withdrawal or denial of an award or recognition, or restricting participation in USANA-sponsored events for a specified period of time or until the Associate satisfies certain specified conditions;
- Suspension of certain privileges of Business, including, but not limited to, placing a product order, participating in USANA programs, progressing in the Compensation Plan, or participating as a Sponsor, for a specified period of time or until the Associate satisfies certain specified conditions;
- Withholding commissions or bonuses for a specified period of time or until the Associate satisfies certain specified conditions;
- Imposing fair and reasonable fines or other penalties in proportion to actual damages incurred by USANA and as permitted by law; and/or Terminating a Business.

63. DEFINITIONS

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

Associate: An independent contractor authorized by the Company under the Contract to purchase and retail Products, recruit other Associates, and participate in the Company's Compensation Plan. An Associate's relationship to the Company is governed by the Contract.

Auto Order Price: Ten (10) percent less than the preferred price.

Business: The account created when either an individual or a business entity enters into a contractual relationship with the Company.

Business Center: The center of an Associate's business-building activity, through which Product is purchased and Sales Volume is accumulated.

Business Opportunity: Activities determined by the Company to be a promotion of the Company's Products or Compensation Plan.

Compensation Plan: The specific plan utilized by the Company that outlines the details and requirements of the compensation structure for Associates.

Crossline Organization: Associates who are not directly above or below you in your Placement line of Sponsorship.

Customer: A person who purchases Product for the purpose of personal use.

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

Enrollment (Enroll): The act of contracting with the Company to operate an independent Business.

Four-Week Rolling Period: A rolling block of four consecutive pay periods (four Fridays).

Genealogy Report: A report generated by the Company that provides proprietary data relating to the identities and sales information of an Associate's Team.

Group Volume: The commissionable volume from Product sales generated by an Associate's Team.

The Hub: USANA's back office software.

Official USANA Material: Advertising and informational material the Company provides regarding Products and the Business Opportunity.

Party: An individual or business entity.

Placement: The positioning of a Associate in his/her Sponsor's Downline.

Preferred Customers: An individual who purchases Products for personal consumption directly from USANA at a discounted price. Preferred Customers are not authorized to resell product, and do not participate in the Compensation Plan.

Products: The products Associates are authorized to market and sell under the Agreement.

Sales Tools: Company-created material, of any kind, for the purpose of Product sales, recruitment, or training of Associates.

Sales Volume: The points generated from Product sales by an Associate.

Sponsor: A new Associate's direct Upline.

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

Terms & Policies: The policies governing how an Associate is to conduct business and define the rights and relationships of the parties.

Upline: The direct line of Sponsorship above an Associate.

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

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



USANA Health Sciences, Inc.
3838 W. Parkway Boulevard | Salt Lake City, UT 84120

Effective Date: 09/25/19

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